

AMERICAN GAS ASSOCIATION

# Monthly



AUGUST  
1953

# Peach of a cook...your new automatic Gas range



Smokeless broiling plus flame-kissed flavor. The cigarette test proves why you get better broiling with Gas. Hold a lighted match over the smoke of a cigarette. See how the flame "eats up" every wisp of smoke. Nothing but a flame does this. Nothing but a flame gives you such downright delicious flavor.



Even baking, even browning. In your temperature—it won't vary a bit in any nook or cranny of your fresh-air circulated gas oven. You can even bake 4 cakes at once, and they'll be done together—perfect.



Instant on-off heat. Say "poor" to burners that heat up in seconds. Yours pop on automatically in split seconds. Gas gives you the heat you want instantly with no lingering after-heat. Yet with this, the new Gas ranges cost less to buy, less to install, less to

AMERICAN GAS ASSOCIATION

This is how your New Freedom Gas Kitchen\* will look with a Hardwick automatic Gas range, built to "CP" standards. It's just one of many fine "makes" your Gas company or Gas appliance dealer is showing.

## only Gas



gives you such a  
choice of modern  
automatic ranges

GAS — the modern fuel for automatic cooking . . . refrigeration . . . water-heating . . . house-heating . . . air-conditioning . . . clothes-drying . . . incineration.



MOTION PICTURE star Adele Mara poses with a beautiful new automatic gas range, to open the 1953 Old Shave Round Up

**P**ROMOTION is the order of the day among gas men. Gas industry leaders are aroused to the need of all-out cooperation, promotion-wise, from all selling levels.

A leading aspect of this determination is the A. G. A. dealer sales program. Announced in this issue, after many months of intensive planning by the Dealer Sales Committee of the Residential Gas Section, it is the epitome of streamlined promotion, expediting the power of dealer, manufacturer and utility salesmanship all the way to the eventual purchaser.

Buttressing the dealer sales program are other carefully planned country wide promotions that A. G. A. will sponsor during the ensuing year. Advance planning has provided the key to greater impact by concentration on nationwide sales themes.

Gas industry sales leaders have hammered out a powerful basic promotion program. To attain complete success it needs only the cooperation of each gas utility, each gas appliance manufacturer and each gas appliance dealer.

Each of them has the responsibility. Each can participate in the profits.

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A typical A. G. A. automatic gas range advertisement featuring the New Freedom Gas Kitchen. This is one of a series in national shelter magazines

For vice-presidents ►

For president



EARL H. EACKER

For treasurer ►



F. M. BANKS



DEAN H. MITCHELL



VINCENT T. MILES

For directors



M. A. ABERNATHY



H. C. CUMMINS



WISTER H. LIGON

# A. G. A. nominates for 1953-1954





B. C. ADAMS



L. I. BAXTER



F. A. BROWNIE



SHELDON COLEMAN



J. F. DONNELLY



JOHN E. HEYKE, JR.



J. K. HORTON



D. E. KARN



A. W. LUNDSTRUM



F. T. PARKS



L. B. RICHARDS



J. THEODORE WOLFE

From the length and breadth of the United States and Canada the A. G. A. General Nominating Committee has formed a slate of officers, directors and section chairmen for submission at the Association's annual convention. Included in the slate are leaders in the production and distribution of gas—high-ranking officials of manufactured, natural and mixed gas companies, as well as pipeline and utility holding companies. Representation of the gas industry is rounded out by the inclusion of top-level officials of gas appliance manufacturing companies.

The complete slate of nominees will be voted upon by the membership at the 1953 A. G. A. Annual Convention, St. Louis, October 26-28. In accordance with Section 2 of Article X of the A. G. A. Constitution and By-Laws, any 50 company members may make additional nominations for any elective office, and 50 individual members of any section may make additional nominations of sectional officers, by placing them

in the hands of the Association's managing director not later than August 1.

The Nominating Committee's report includes recommendations for the election of a president, two vice-presidents, a treasurer, 15 directors, 11 section chairmen and vice-chairmen.

Elected at the 1952 A. G. A. Annual Convention, Atlantic City, N. J., the General Nominating Committee consists of:

F. A. Lydecker, Public Service Electric & Gas Co., Newark, chairman; James S. Moulton, Pacific Gas and Electric Co., San Francisco; Robert E. Ramsay, New Haven Gas Light Co., Conn.; Willard F. Rockwell, Jr., Rockwell Manufacturing Co., Pittsburgh; Harry K. Wrench, Minneapolis Gas Co., Minn.; C. H. Zachry, Southern Union Gas Co., Dallas.

The following list of nominations is brought to the attention of the American Gas Association membership, in accordance with the provisions of the Association's Constitution and By-laws:

## For chairmen



PAUL E. EWERS  
Accounting Section



LOVETT C. PETERS  
General Management  
Section



CHARLES C. EELES  
Industrial and  
Commercial Gas Section



F. J. PFLUKE  
Operating Section



RAYMOND LITTLE  
Residential Gas Section

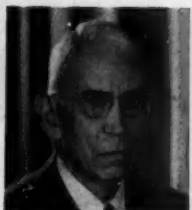
## For vice-chairmen



A. T. GARDNER  
Accounting Section



HOWARD B. NOYES  
General Management  
Section



RAY TROWBRIDGE  
Industrial and  
Commercial Gas Section



W. H. DAVIDSON  
Operating Section



J. H. COLLINS  
Operating Section



W. H. KURDELSKI  
Residential Gas Section

**For president**—EARL H. EACKER, president, Boston Consolidated Gas Co., Boston, Massachusetts

**For first vice-president**—F. M. BANKS, president and general manager, Southern California Gas Co., Los Angeles, California

**For second vice-president**—DEAN H. MITCHELL, president, Northern Indiana Public Service Co., Hammond, Indiana

**For treasurer**—VINCENT T. MILES, treasurer, Long Island Lighting Co., Mineola, New York

**For director—two year term expiring October 1955**

M. A. ABERNATHY,\* vice-president, United Gas Pipe Line Co., Shreveport, Louisiana

B. C. ADAMS,\* president, The Gas Service Co., Kansas City, Missouri

L. L. BAXTER,\* president, Arkansas Western Gas Co., Fayetteville, Arkansas

F. A. BROWNIE, president, The Canadian Western Natural Gas Co., Ltd., Calgary, Alberta, Canada

SHELDON COLEMAN, president, The Coleman Co., Inc., Wichita, Kansas

J. F. DONNELLY, vice-president in charge of sales, Servel, Inc., Evansville, Indiana

JOHN E. HEYKE, JR., vice-president, The Brooklyn Union Gas Co., Brooklyn, New York

J. K. HORTON,\* president, Pacific Public Service Co., San Francisco, California

D. E. KARN, president, Consumers Power Co., Jackson, Michigan

W. H. LIGON, president, Nashville Gas Co., Nashville, Tennessee

A. W. LUNDSTRUM, president, Ohio Fuel Gas Co., Columbus, Ohio

F. T. PARKS, vice-president in charge of gas operations, Public Service Co. of Colorado, Denver

L. B. RICHARDS, vice-president, Harrisburg Gas Division, The United Gas Improvement Co., Harrisburg, Pennsylvania

J. THEODORE WOLFE,\* executive vice-president, Consolidated Gas Electric Light & Power Co., Baltimore, Maryland

### ACCOUNTING SECTION

#### For chairman

PAUL E. EWERS, commercial office manager, Michigan Consolidated Gas Co., Detroit, Michigan

#### For vice-chairman

A. T. GARDNER, vice-president and secretary, Delaware Power & Light Co., Wilmington, Delaware

### GENERAL MANAGEMENT SECTION

#### For chairman

LOVETT C. PETERS, financial vice-president, Laclede Gas Co., St. Louis, Missouri

#### For vice-chairman

HOWARD B. NOYES, vice-president, Washington Gas Light Co., Washington, District of Columbia

\* Renominated.

(Continued on page 48)

# Househeating surpasses estimate

An additional 1,090,000 new househeating installations were made by the gas utility industry during the 1952-1953 heating season, as compared with a forecast of 1,079,000 made in last year's survey. These additions, plus corrected estimates of existing gas househeating users (frequently as a result of data based on the 1950 Census of Housing), brought the total number of residential heating customers served by the industry to 11,728,000 equivalent to 48 percent of all residential consumers. This saturation compares with 44.7 only one year earlier. It is expected that restrictions during the next three heating seasons will be less severe as pipeline capacities and underground storage facilities continue to expand, permitting the inauguration of gas heating service to an additional 1,221,000 residences during the 1953-54 heating season. Nearly 1.2 million homes will receive gas heating service during each of

the two succeeding comparable periods. During the most immediate heating season, it is estimated that 53.8 percent of new installations will be located in new dwellings, while in the two subsequent periods the proportions of new and existing structures will be virtually equal.

This information is included in the American Gas Association's recently completed fifth annual survey of existing and anticipated gas househeating customers in the United States. Based upon information provided by individual utilities throughout the country, it indicates the nature and extent of existing restrictions on new gas heating installations and the expected number of new heating users during each of the next three heating seasons.

Effective March 1, 1953, the Petroleum Administration for Defense rescinded its Gas Limitation Order Number 2. Consequently, gas househeating

restrictions are once again subject to the jurisdiction of state regulatory authorities, with no federal controls being imposed. Although supplies of natural gas for residential heating are still inadequate in some regions, due to the overwhelming demand for cheap gas, the PAD felt that no defense plants were now being deprived of essential fuel through any shortage of gas created by residential househeating requirements. Since the limitation order would no longer, therefore, make any substantial contribution to the gas industry's ability to serve the defense-mobilization program, which represented its basic purpose, it was rescinded.

Previous editions of the A. G. A. househeating survey have been highly valuable to manufacturers of gas heating appliances in providing data regarding the magnitude and location of the po-

EXISTING AND POTENTIAL GAS HOUSEHEATING CUSTOMERS  
IN THE UNITED STATES, BY STATE, DECEMBER 31, 1952

(Thousands of Customers)

State	Existing Residential Customers December 31, 1952		Potential Residential Househeating Customers <sup>a</sup>	State	Existing Residential Customers December 31, 1952		Potential Residential Househeating Customers <sup>a</sup>
	Total	Househeating			Total	Househeating	
United States	24,420	11,728	19,960	South Atlantic (Cont'd.)			
New England	1,551	100	1,039	Florida			
Connecticut	350	14	260	Georgia	210	40	194
Maine	37	1	25	Maryland	271	215	349
Massachusetts	951	74	557	North Carolina	406	104	336
New Hampshire	36	6	31	South Carolina	57	4	31
Rhode Island	157	7	142	Virginia	40	9	25
Vermont	20	b	14	West Virginia	241	65	172
Middle Atlantic	6,594	1,137	4,245		283	334	383
New Jersey	1,188	99	1,011	East South Central			
New York	3,479	380	1,482	Alabama	835	634	760
Pennsylvania	1,927	648	1,353	Kentucky	213	154	192
East North Central	5,478	1,962	4,446	Mississippi	276	199	342
Illinois	1,717	569	1,122	Tennessee	166	163	166
Indiana	586	170	465		180	108	160
Michigan	1,149	439	1,122	West South Central			
Ohio	2,591	956	1,416	Arkansas	2,548	2,332	2,546
Wisconsin	435	98	311	Louisiana	174	171	172
West North Central	1,885	1,134	1,711	Oklahoma	433	429	433
Iowa	294	134	264	Oklahoma	436	430	436
Kansas	399	371	386	Texas	1,505	1,502	1,505
Minnesota	353	165	353	Mountain			
Missouri	595	315	489	Arizona	683	628	666
Nebraska	181	112	158	Colorado	155	154	155
North Dakota	25	12	25	Idaho	213	191	213
South Dakota	38	25	36	Montana	1	b	b
South Atlantic	1,726	727	1,454	Nevada	76	69	73
Delaware	51	5	38	New Mexico	5	2	3
District of Columbia	186	52	128	Utah	105	104	105
				Wyoming	84	69	75
					44	39	43
				Pacific			
				California	3,120	2,874	3,092
				Oregon	2,968	2,838	2,968
				Washington	90	25	77
					62	11	47

a. Including customers already using gas for househeating.  
b. Less than 500 customers.

**ANTICIPATED ADDITIONAL GAS HOUSEHEATING CUSTOMERS  
IN THE UNITED STATES, BY STATE, 1953-1956**

(Thousands of Customers)

State	1953-1954 Heating Season			1954-1955 Heating Season			1955-1956 Heating Season		
	Total	New Dwelling Units	Existing Dwelling Units	Total	New Dwelling Units	Existing Dwelling Units	Total	New Dwelling Units	Existing Dwelling Units
United States	1,221	657	564	1,194	599	595	1,165	571	594
New England	33	10	23	43	9	34	52	11	41
Connecticut	6	2	4	7	2	5	9	3	6
Maine	a	a	a	a	a	a	a	a	a
Massachusetts	19	5	14	27	6	21	33	7	26
New Hampshire	2	a	2	2	a	2	3	a	3
Rhode Island	6	3	3	7	1	6	7	1	6
Vermont	a	a	a	a	a	a	a	a	a
Middle Atlantic	166	74	92	137	65	72	123	60	63
New Jersey	25	17	8	23	15	8	24	16	8
New York	67	23	44	52	19	33	48	18	30
Pennsylvania	74	34	40	62	31	31	51	26	25
East North Central	238	83	155	225	64	161	211	59	152
Illinois	82	22	60	101	15	86	85	11	74
Indiana	39	13	26	29	13	16	34	13	21
Michigan	24	8	16	3	1	2	4	1	3
Ohio	92	40	52	92	35	57	83	33	50
Wisconsin	1	a	1	a	a	a	5	1	4
West North Central	134	61	73	172	58	114	165	53	112
Iowa	21	4	17	30	6	24	29	6	23
Kansas	25	19	6	21	17	4	17	15	2
Minnesota	46	10	36	53	10	43	64	10	54
Missouri	27	22	5	55	20	35	47	19	28
Nebraska	12	5	7	9	4	5	5	2	3
North Dakota	a	a	a	a	a	a	a	a	a
South Dakota	3	1	2	4	1	3	3	1	2
South Atlantic	90	56	34	86	50	36	83	46	37
Delaware	1	a	1	a	a	a	a	a	a
Dist. of Columbia	3	1	2	4	2	2	4	2	2
Florida	7	4	3	5	3	2	5	3	2
Georgia	16	13	3	15	12	3	15	11	4
Maryland	23	16	7	23	15	8	22	14	8
North Carolina	14	7	7	13	4	9	14	4	10
South Carolina	1	1	a	2	1	1	2	1	1
Virginia	15	10	5	14	9	5	12	8	4
West Virginia	10	4	6	10	4	6	9	3	6
East South Central	51	35	16	47	31	16	43	29	14
Alabama	13	8	5	9	4	5	8	4	4
Kentucky	17	12	5	18	13	5	17	13	4
Mississippi	12	10	2	12	9	3	11	8	3
Tennessee	9	5	4	8	5	3	7	4	3
West South Central	260	131	129	252	127	125	255	128	127
Arkansas	15	3	12	9	3	6	9	4	5
Louisiana	25	17	8	26	18	8	27	19	8
Oklahoma	19	18	1	19	18	1	19	18	1
Texas	201	93	108	198	88	110	200	87	113
Mountain	74	50	24	67	49	18	62	47	15
Arizona	25	21	4	26	21	5	27	22	5
Colorado	21	11	10	16	13	3	13	11	2
Idaho	a	a	a	a	a	a	a	a	a
Montana	4	3	1	4	2	2	2	1	1
Nevada	a	a	a	a	a	a	a	a	a
New Mexico	12	9	3	11	8	3	11	8	3
Utah	7	3	4	6	3	3	6	3	3
Wyoming	5	3	2	4	2	2	3	2	1
Pacific	175	157	18	165	146	19	171	138	33
California	173	155	18	164	145	19	157	137	20
Oregon	1	1	a	a	a	a	a	a	a
Washington	1	1	a	1	1	a	14	1	13

a. Less than 500 customers.

tential market for their products thus assisting both production scheduling and marketing policies. This information has also proved useful to utilities interested in comparing their heating market saturations and expectations with the experience of other comparably situated companies. Information regarding the extent and type of restrictions, the areas where such restrictions are effective and the expected removal or relaxation dates, which were initially obtained in last year's study have once again been requested. Many utilities are obviously unable to indicate expected dates of restriction modifications, while the answers provided by others may be subject to subsequent change. Nevertheless the provision of these dates where available should be most helpful in the development of long range production scheduling. Data relating to anticipated additional heating customers have been requested separately for new construction and existing structures.

### Omit multi-dwellings

In attempting to estimate ultimate potential gas househeating customers it is improper to assume that all residential users are prospects. Many such consumers reside in multi-family structures which are either physically not adaptable to heating installations or where even the most favorable prospective relative fuel prices preclude the substantial use of gas heating. In view of these two limiting factors individual utilities were asked to indicate the number of existing dwelling units within their service areas which could conceivably be individually metered and heated with gas. These data exclude installations occurring because of future housing construction.

Industry totals have been developed for states, regions and the country as a whole by assuming that total existing and potential gas househeating customers and the number of new heating installations bear the same relationship to total residential consumers for non-reporting companies as were reported by the responding utilities. A detailed explanation of the methodology employed in deriving industry totals for each item will be provided upon request. Reports were received from 322 companies serving 22.7 million residential customers, and representing 93 percent of all residential gas consumers.



# See billion-a-year construction

The nation's gas utility and pipeline industry will spend almost \$4 billion for construction of new facilities and expansion of present plant during the four years from 1953 through 1956, according to the results of a study by the A. G. A. Bureau of Statistics. This compares with construction expenditures of about \$4.7 billion in the four years 1949-1952. (The association's estimates presently cover a four-year period to coordinate with other related studies now being conducted by the association.)

About \$1.9 billion of these proposed expenditures, or slightly less than 50 percent of the total, will be spent on transmission facilities and \$1.4 billion, or approximately one-third of the total, will go for distribution expenditures. The remaining \$637 million are to be spent for production, underground storage and general facilities.

Because of difficulty in anticipating future market conditions, information regarding the probable sources of necessary funds was supplied by fewer than half of the reporting companies.

These companies indicated they expect to obtain 29 percent of needed funds from internal sources, primarily undistributed earnings and depreciation accruals. The remaining 71 percent to be secured from outside sources is divided—51 percent from long term debt and 20 percent from common or preferred stock issues.

The gas industry in 1952, for the third consecutive year spent more than \$1 billion on construction of new facilities. Although falling short of the peak year of 1951, the 1952 construction budget of \$1,067,400,000 was only about \$105.5 million less than had been originally estimated. Continued anticipated difficul-

ties in obtaining steel pipe and delays in rate case settlements deferred applications for some new pipeline projects in 1952. Important declines in transmission expenditures were brought about by the greater dependence of the natural gas transmission industry upon new compressor installations, rather than pipe facilities, to augment capacity.

Anticipated construction expenditures during 1953 indicate that nearly \$1.4 billion will be expended, making this year's the second greatest expenditure record for the gas utility and pipeline industry. In 1951 a total of \$1,461.5 million was spent. The new 1953 estimate is about one-quarter billion dollars less than was estimated a year ago for this year. Continued delay in approving construction of pipeline facilities for the transmission of natural gas to the Pacific

(Continued on page 49)

## GAS UTILITY AND PIPELINE CONSTRUCTION EXPENDITURES, BY TYPE OF GAS AND BY PLANT FUNCTION, 1952-1956

(Millions)

Type of Gas and Plant Function	Actual 1952	Forecast <sup>a</sup>				Total Forecast 1953-1956	Total Actual 1949-1952
		1953	1954	1955	1956		
<b>Natural Gas—Total</b>	<b>\$ 976</b>	<b>\$1,291</b>	<b>\$ 967</b>	<b>\$688</b>	<b>\$662</b>	<b>\$3,608</b>	<b>\$4,283</b>
Production	111	142	55	43	41	281	517
Transmission	493	802	528	295	293	1,918	2,641
Underground storage	43	38	54	27	15	134	a
Other storage	1	1	2	3	1	7	a
Distribution	286	269	304	295	289	1,157	976
General	42	39	24	25	23	111	149
<b>All Other Types of Gas—Total</b>	<b>91</b>	<b>118</b>	<b>90</b>	<b>82</b>	<b>79</b>	<b>369</b>	<b>403</b>
Production and storage	20	28	20	18	21	87	113
Transmission	3	8	4	4	3	19	18
Distribution	63	78	60	56	52	246	250
General	5	4	6	4	3	17	22
<b>Total Industry—Total</b>	<b>1,067</b>	<b>1,409</b>	<b>1,057</b>	<b>770</b>	<b>741</b>	<b>3,977</b>	<b>4,686</b>
Production and other storage	132	171	77	64	63	375	630
Transmission	496	810	532	299	296	1,937	2,659
Underground storage	43	38	54	27	15	134	a
Distribution	349	347	364	351	341	1,403	1,226
General	47	43	30	29	26	128	171

a. Included in production.



Workmen set stage (left) for The Star Gas Co.'s one-minute commercial.



Courtesy Gourmet

*Television cooking schools  
are a profitable new  
venture for gas utilities*

## TV widens home service promotion coverage



"Margaret's Kitchen," a 30-minute program, is produced in the District of Columbia by Washington Gas Light Co., five times a week.

After three years' experience, we are convinced that television is a medium so well-adapted to getting the home service story across to our users that it will eventually become the backbone of home service promotion."

That is the opinion of a leading utility's home service director. Her thoughts are shared by gas utility sales executives and home service leaders across America, who have tried television, sometimes a bit dubiously, and have been pleasantly



Kathleen Atha (above) Oklahoma Natural Gas Co., Tulsa, poses before TV camera



Frieda Barth, home service director, Michigan Consolidated Gas Co., rehearses for weekly 30-minute practical cooking demonstration, produced in utility auditorium



Gas appliances star in Brooklyn Union Gas Co.'s show, "Domestically Yours." Demonstrator is showing correct way to whip muffin batter



New Orleans utility's program is handled by independent home economist. Home service staff checks scripts, recipes before show



Baltimore home service show, one of industry's pioneers, is produced in utility auditorium. Program has appeared once a week since 1949

surprised with the results.

Even where TV has been used sparsely, it has proved itself to be an effective sales medium, combining the two most important facets of utility home service: the home call and the public demonstration.

Home service and advertising directors have found television costs *per customer* very low, although the price tag of about \$500 for each one-half hour in one company seems staggering at first glance. (This approximate figure in-

cludes air time, remote pickup, salaries of demonstrator and assistant, food, rehearsals, stationery, printing and mailing of recipes, and other expenses.)

Figures show, however, that TV costs about one-half to one cent per showing for every homemaker who views the program. This is in contrast to several dollars per customer present at a mobile cooking school demonstration.

The actual low cost results because the number of viewers is practically limitless,

particularly in the cities. Often, audiences from neighboring territories can get the program on their sets, adding to the popularity of the show, and of gas.

A great many utilities, discovering these facts, have included TV in their promotional and home service programs. Just what has been accomplished in the last three or four years? Let's take a Cook's tour around the country and see what's being done in some cities.

(Continued next page)



Lucy Slagle, home service director, is star of Atlanta Gas Light Co.'s short live commercial



Rochester Gas & Electric's Alice Buell chats occasionally with market reporter Les Stutman on television



Scene from A. G. A.'s five-minute film series, adaptable to television shows

## Atlanta

The Atlanta Gas Light Co. sponsors a 15-minute news program, which includes a 1½-minute live commercial. The home service director is the star of the commercial, which features a "quickie" demonstration of one part of the range. For added interest, commercials are usually built around food preparation.

## Baltimore

The Consolidated Gas Electric Light & Power Co. puts on a weekly 20-minute program from its own home service auditorium. In operation since 1949, each program is built around one menu. As much food as possible is cooked right on the set, with the TV cameras trained on the home service staff. All menus and recipes are printed so they can be distributed to interested viewers who call in.

The utility feels that demonstrating "at home" rather than in a TV studio is easier because it involves no transportation of food or equipment, no packing problems, no studio schedule worries. The big disadvantages are 1) the demonstration kitchen is tied up for a whole day each week; and 2) noise. Unlike specially designed TV studios, demonstration auditoriums are never completely soundproof, and this presents rather serious technical problems.

A very important factor, thinks this utility, is to have a skillful, enthusiastic demonstrator. Youth, beauty and glamor lose their appeal very quickly if the demonstrator fumbles and is inefficient.

## Brooklyn

"Domestically Yours," Brooklyn Union Gas Co.'s show, is, according to the utility's home service staff, a demanding but rewarding enterprise. This utility uses three demonstrators, all from the home service department. The girls take turns because the company wants to build up more than one television personality.

At present, home service appears on one 30-minute show each week with this supplemented by purchase of commercial time four days a week on the Dione Lucas cooking show.

## Cleveland

The East Ohio Gas Co.'s program is a winner. In 1951, the Public Utilities Advertising Association awarded first hon-

(Continued on page 54)



*Mechanized stockholder accounting and dividend disbursement proves accurate, economical, fast and flexible*

## Expedite stockholder records

● The Accounting Developments Service Committee of the Accounting Section is always anxious to receive from member companies any unusual or unique method for solving the myriad accounting problems in our industry. If you have an accounting machine application or a system of accomplishing some of your accounting tasks which you have found particularly satisfactory and believe may not be generally known to member companies you may do our industry a worthwhile service by outlining your method and forwarding it to the Accounting Section Secretary at A. G. A. Headquarters, 420 Lexington Avenue, New York 17, N. Y.

Complete mechanization of stockholders accounting and quarterly dividend disbursement for approximately 85,000 stockholders has been achieved under a plan, developed by The Columbia Gas System, Inc.—, along with payroll and general accounting work for the parent and service company of the system.

Prior to the machine installation the stockholders' records work was performed primarily on a manual basis. The ledgers were manually posted page ledgers, filed in binders. Paper dividend checks with attached stubs were used and processed with a Model 3400 Addressograph and Monroe check writers.

The work of collating and enveloping dividend checks and other inserts, such as quarterly letters to stockholders and change of address notices, was done manually. Proxy collating, inserting, tabulation and matching and preparation of Form 1099 Report to U.S. Treasury Department, were also performed manually.

The new procedure has transformed these operations primarily into a complete machine operation.

Inherent in stockholder record keeping and dividend paying work is the problem of handling peak period operations. If maximum economy is to be achieved in a manual operation the normal working force must be substantially expanded during such peak periods.

These peak jobs are primarily routine functions and mechanical equipment is admirably suited to performing such routine work where volume is the principal cause of the peak period. It is this principle which has been followed in the development of the Columbia installation.

Recording daily share transaction has four major categories.

1. When transferring posting tickets, one copy of the daily stock transfer sheets received from the transfer agents is perforated. These sheets are torn apart into individual posting tickets. There is a posting ticket prepared for each debit and credit transaction.

These tickets serve as the medium of recording share transactions on the stockholder's ledger records, addressograph files, and controls.

2. A record card is established for each stockholder.

Initially these cards were arranged in alphabetical order and a stockholder number assigned to each stockholder with skips of 100 numbers between each stockholder provided for list expansion.

The stockholder's record card file is further sub-divided into controls of approximately 2,000 accounts. The recording of daily share transactions on this record is as follows:

The daily posting tickets are sorted into alphabetical order which places them in the same sequence as the stockholder's record cards. Control totals of share transactions are established from the posting tickets at this time.

The stockholder's record cards affected by share transfers are removed from file by control groups and posted on National Cash Register bookkeeping machines. New record cards are prepared for new stockholders.

The posting operation consists of typing the date, certificate number, inserting the old share balance in the machine, posting the number of shares on the posting tickets and extending the new share balance on both the posting ticket and record card.

Control totals of shares are automatically accumulated on tapes in the machine as the records are posted. These totals are balanced with the control of shares established from the daily posting tickets.

Before the records are returned to file after the posting operation, the stockholder's number, geographical code and type of stockholder code are entered on the posting ticket from the stockholder's record card.

3. An addressograph frame is on file for each stockholder. These frames are filed in stockholder-number order in the same manner as the stockholder record cards.

This is a two-part frame, the lower section of which contains a plate embossed with the stockholder's name and address. The upper section is divided into two parts, one of which is punched and embossed with the share balance and the other part is punched with the stock-

holder's number, geographical location code and type of stockholder code.

Following the posting and balancing operations in the stockholders' record department, the posting tickets are sorted to new, changed and closed account groups and forwarded to the addressograph section in the tabulating department.

New frames are prepared for the new accounts on the model 6383 graphotype machine, and model 7100 Addressograph key punch. Pre-embossed and pre-punched share balance sections are kept on file for the most common share groups and are inserted for accounts in these groups showing change in share balance. Frames for closed accounts are removed from file.

4. Cards are used for proof of daily work and maintenance of geographical file. In addition, punch cards are prepared on the 9300 Addressograph from the frames for the new, changed and closed accounts.

The name, address, and share balance are imprinted on the card and simultaneously the number of shares, stockholder's number, geographical location code and type of stockholder's code are punched into the cards.

The punch cards are next run through the IBM interpreter which prints the punched information on the card.

The cards are then sent to the stockholders record department for verification and for use in maintaining a special geographical file of stockholders. This file was set up on punch cards at the inception of the punch card accounting method, replacing a file of three inch x five inch cards formerly maintained for management.

The payment of dividends is divided into six major operations.

1. Punch card check forms, with the check numbers preprinted and punched into the checks, are ordered from IBM immediately following the declaration of the dividend. The information that is subject to change, such as amount per share, record date, and dividend number, is printed on the check at this time. The checks are scheduled for delivery two weeks after date of order.

After all share transactions through the record date have been processed through the addressograph section, the punch card dividend checks are run through the 9300 Addressograph. This machine imprints the name, address, and share balance and simultaneously punches the dividend number, the stock-

holder's number and share balance at a rate of 100 cards per minute.

2. Special "header cards" for each share balance group are placed with the dividend checks and then the combined cards are mechanically sorted to share balance on the IBM sorters. This serves to control the 9300 Addressograph on the subsequent check run.

The card checks are then rerun through the 9300 Addressograph by share balance groups. During this operation, addressograph plates embossed and punched with the amount of dividend applicable to each share group imprint the dividend amount on the checks and punch the amount of the dividend into each card check.

The "header cards" previously mentioned, cause the 9300 Addressograph to stop at the completion of each share group for visual inspection to assure the correct dividend amount plate is being used for the next share group. This run is also accomplished at a rate of 100 checks per minute.

Following this operation, the checks are mechanically sorted to stockholder's number sequence on the IBM sorters.

The checks are then run through the IBM accounting machine by control group at a rate of 150 checks per minute. The totals of shares and dividend amounts obtained by this tabulation, are balanced to totals established as of record date on the stockholder's record control maintained in the stockholders record department.

3. Just after the two check runs are completed on the 9300 Addressograph, check register punch card forms are run through this machine, which imprints the name, address and share balance and at the same time punches dividend number, number of share and stockholder's number into the cards.

The check register cards are then placed in the IBM reproducing punch along with the completed dividend checks and the check numbers and amount of dividend are reproduced from check to register cards at a rate of 100 cards per minute. The number of shares and the stockholder's number is mechanically compared during this operation to assure the information is being punched into the correct check register card.

The check register cards are then placed in the IBM interpreter, which automatically reads the holes in the cards and imprints this numeric information

*(Continued on page 52)*



The size and complexity of a Magnolia Petroleum Co. drilling rig impressed the editors during

# Editors see the natural gas business



Newspapermen and their Texas Gas Transmission Corp. hosts prepare to take off in their chartered DC-3



Aubrey Roberts, general superintendent, Texas Gas, explains to editors and company officials the intricate pipe layout at the firm's Sharon, La., station

The touring editors visited this Christmas tree, a drilling rig, a natural gas-line plant, a compressor station, a dispatching office and a central warehouse

How can a company bring home to local newspaper editors an understanding and appreciation of the natural gas business?

It's not an easy problem, as many utilities and pipeline companies have found. The gas industry is no longer a localized operation. Today the "local" story extends hundreds of miles to the gas fields of Louisiana and Texas.

One of the best answers is a long-distance tour to tell this new "local" story. This summer the Texas Gas Transmission Corp., Owensboro, Ky., put it to use. They took a group of 11 editors on a three-day excursion to gas fields, pipelines, compressor stations and other facilities in Louisiana and Mississippi.

"We think this jaunt will do us a lot of good," says John Kirtley, director of public and employee relations. "We became better acquainted with some fine newspapermen in communities our customers serve, and they learned more about us and our operations."

The editors were picked up by Texas

Gas at Louisville, Owensboro, Evansville and Memphis, and flown in a DC-3 to Lake Charles and Monroe, Louisiana and Greenville, Mississippi. They saw the course of natural gas from well to city gate. They also flew over the Gulf of Mexico to see drilling rigs offshore.

The guests were unanimous in their reaction to the tour. They were surprised at the size and complexity of the operation that furnished gas to their community, despite news releases, publications, films and other communication devices the transmission company had distributed. They felt that only through seeing the entire producing—gathering—transporting operation on the spot could they really appreciate it.

Invitations to newspapers, in most cases, were coordinated with utility customers of Texas Gas. Company officials on the tour included W. T. Stevenson, president, Herman Horstman, assistant to the president, Aubrey Roberts, general superintendent, Mr. Kirtley, John Potter, of the public relations department, Wil-

lard Lape, safety director who supervised arrangements, and Winsor Watson, Jr., of the Texas Gas public relations agency, Cecil & Presbrey, Inc., N.Y.C.

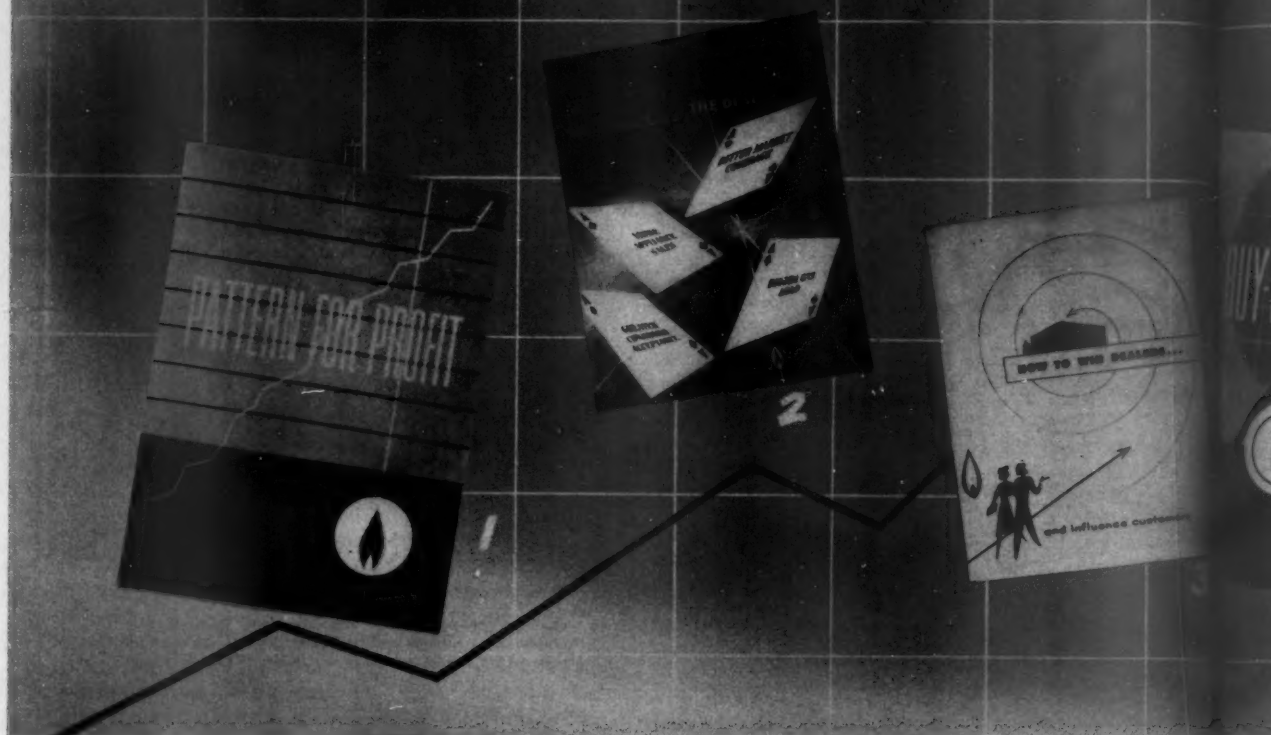
At each stop the group was joined by other company personnel, who made all the arrangements in their area.

Each editor received at the start of the tour a bound volume containing all the necessary background and detailed information and photographs he would need for each of the three days.

Reaction to the trip is indicated by the written comment in his newspapers by Tom Allen, Arkansas state senator and publisher of several Arkansas weeklies: "To say that we were unfamiliar with the origin and processing of natural gas would be a gross understatement. We knew that it came out of wells in the ground, understood that it was transported in pipelines, and finally reached its destination where it was used in homes and factories. We never realized what a vast and complex industry it comprised before our trip last week."



# A.G.A. DEALER SALES PROGRAM



**By W. D. WILLIAMS**

*Chairman, Dealer Sales Committee  
Vice-President in charge of sales  
New Jersey Natural Gas Company  
Asbury Park, New Jersey*

## a PAR activity

After months of intensive effort by the A. G. A. Dealer Sales Committee of the Residential Gas Section, the "packaged" eight-unit dealer sales program featuring the theme, "Pattern For Profit," will be available for use by the gas industry by the end of August.

"Pattern For Profit," is sponsored by the A. G. A. General Promotional Planning Committee and financed from the

gas industry's PAR Program. It is designed to assist gas utility companies to attain closer liaison with the dealer, who today sells approximately 85 percent of all appliances to the public. The major objectives of the program are:

1. To assist gas utility companies to increase the effectiveness of their load-building activities by building a strong local dealer appliance merchandising program;

2. To provide gas utility companies with a definite and well-documented plan of action and materials to secure, develop and train an effective dealer gas appliance sales organization at the local level.

The Dealer Sales Committee has as its chairman W. D. Williams, vice-president in charge of sales, New Jersey Natural Gas Co., Asbury Park, New Jersey. Its membership includes sales executives of gas utility companies in various sections of the country who are conducting successful and sales-making dealer programs, as well as representatives from gas appliance manufacturers.

The following is a description of each segment of the program:

1. The outside portfolio or cover—"Pattern For Profit"—is 14 inches X 10 1/4 inches in three colors, with pockets on the inside front and back covers.

2. The publication, "Deal In The Dealer" is to be inserted in the front pocket of the "Pattern For Profit"



# NEARS COMPLETION



portfolio. An eight-chapter, illustrated book, 8½ inches × 11 inches, it is designed to assist gas utility companies in organizing a local dealer sales program. Its text emphasizes the importance of the dealer, the essentials of a good dealer plan, the organization of a dealer program and evaluating your own dealer plan. Contents of this publication are under such chapter headings as: Who Sells What?; Get the Dealer on Your Team; Guideposts to Success; Build on a Firm Foundation; Plus Services for the Plus Market; Sales Profiles; Evaluate Your Own Dealer Plan; and Operation Dealer—The Road To Sales.

3. The publication, "How To Win Dealers & Influence Customers" is to be inserted in the back pocket of the "Pattern For Profit" portfolio. A five-chapter, illustrated book, 8½ inches × 11 inches, it is for use by gas utility companies in putting a dealer plan into effect. It details the organization, and con-

ducting dealer meetings and stresses the importance of the follow-through. Contents of this booklet are grouped in chapters entitled: Cooperation Is a Two-Way Street; Presenting Your Plan to the Dealer; Building the Platform for Sales; and Following Through for Greater Gas Sales.

The following described materials are provided for distribution to all local dealers by the gas utility company:

4. The publication, "Buy-Ways To Profit" is to be inserted in the center of the "Pattern For Profit" portfolio.

This illustrated 14 inch × 10 inch eighteen page book in color is designed to impress the dealer with the growth and progress of the gas industry, its national advertising and promotions, gas appliance markets and profit opportunities for the dealer. In it is announced the new dealer sales training course, "10 Sure Ways To More Sales." In addition a two-page spread features sales tools available from gas appliance manufac-

turers and other sources. A pocket is provided in the back of this book in which may be inserted a copy of the local gas company plan when "Buy-Ways To Profit" is presented to the dealer.

5. The Dealer Merchandising Program Cover is an attractive, well-designed cover, 9 inches × 12 inches in two colors, prepared for use by gas utility companies as a cover for their own dealer plan. Provision is made so that the name of the gas company can be imprinted on the front.

6. Dealer sales training course, "10 Sure Ways To More Sales" is to be inserted in back pocket of "Pattern For Profit" portfolio. The publication, "How To Win Dealers & Influence Customers" features the format, time schedule and materials for a series of sales meetings, including a dealer sales training session. To make it easy for gas company sales managers to conduct the dealer training session, the entire

(Continued on page 50)

# Posters carry double sales wallop

Institutional and business promotion messages are combined in attractive posters The Columbia Gas System, Inc., distributes monthly to its companies. This double-barreled power is effected by designing posters to coincide as nearly as possible with current A. G. A. promotions as well as with those of the different Columbia companies.

The posters, size 19½ inches by 14½ inches, are placed in windows and on counters, and hung on walls of system company business and branch offices, bill collecting agencies, stores and home offices. Smartly designed, each poster is effectively done in an eye-catching color and black. The name of each local company is printed on the poster it distributes in its own area.

These posters exercise a repeated selling impact on thousands of potential customers in the broad area served by Columbia System companies. Some 136 cities are included in the distribution and display in Kentucky, Maryland, New York, Ohio, Pennsylvania, Virginia and West Virginia.

the  
water's  
fine  
**THANKS  
TO  
GAS**




When a guy loves a bath he wants a dependable supply of gas to heat his bath water. He—and millions of others—count on the people of Columbia Gas to meet their many gas needs.




**THE OHIO FUEL  
GAS COMPANY**

*it's  
a  
soft  
life*  
**THANKS TO GAS**



Millions who want "all the comforts of home" naturally only turn to the Columbia Gas System. Supplying a dependable gas for space, refrigeration and many other uses, Columbia Gas services homes right in your neighborhood.



*His homework's easy*

**THANKS  
TO  
GAS**

Easy of hot water  
and by natural gas  
makes "homework"  
easier and faster.  
Plants depend on  
Columbia Gas System  
to deliver all  
the gas they need,  
every day in the year.



CENTRAL  
KENTUCKY NATURAL  
GAS COMPANY

*In good hands*

**THANKS  
TO GAS**



Feeding three people is a snap with Columbia  
Gas System. Whenever clean linen, warm food or  
hot water are needed, Columbia Gas provides the  
natural, safe, dependable natural gas.

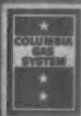


*Refreshment  
Time*

**THANKS  
TO  
GAS**

Nothing like a  
shower for pep  
and refreshment.  
And nobody like  
Columbia Gas Sys-  
tem for keeping  
showers running  
good and hot all  
year when demand

on Columbia Gas gets all the hot water  
they want—when they want it.



UNITED FUEL  
GAS COMPANY

*Washday Weather Guaranteed*

**THANKS  
TO GAS**

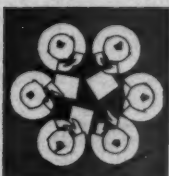


You don't ever worry about washday weather  
when you use a gas dryer. And with Columbia  
Gas System on the job, you can depend on  
"sunshine" for your clothes any day, any time,  
anywhere.



NATURAL  
GAS COMPANY OF  
WEST VIRGINIA





# Industrial relations round-table

Prepared by  
A. G. A. Personnel Committee

Edited by W. T. Simmons

● **Veterans**—Korean POW may have job rights—A Korean prisoner of war is not barred from statutory reemployment rights with his old employer, even though his imprisonment caused his total military service to exceed the four-year limitation in the Draft Law, Secretary of Labor Durkin, says. This statement is in response to queries received by the Bureau of Veterans' Reemployment Rights.

The question arises because Section 9 (g) (2) of the law, as amended in 1951, limits reemployment rights to those veterans whose term of service does not exceed four years. However, the four-year limitation is hedged by the qualification "or as soon after the expiration of such four years as he is able to obtain orders relieving him from active duty."

Durkin takes the position that detention as a POW comes within the qualification. He cautions, however, that it is only the POW status which suspends the four-year limitation, and that reenlistment after release from prison might bar reemployment rights if service thereafter plus service prior to being taken prisoner exceeds four years.

● **Average net worth**—Around fifty percent of the families in the United States now have a net worth (assets less liabilities) of \$7,500 or more, according to a National Industrial Conference Board survey of consumer wealth.

NICB says that fewer than one-tenth of all families are in the red, with their debts totaling more than their assets. On the other hand, about a sixth of the families own more than \$30,000 in net assets.

● **Executive development**—An "interne plan" for its executive development program has been started by Consolidated Vultee Aircraft Corporation. Younger management men will be asked to sit in on executive committee meetings to see how decisions are made. They'll also get special assignments from the committee.

● **Retired employees**—A welcome is always ready at The Upjohn Co., Kalamazoo, Michigan, for its retired employees. When a new plant went into production last year, all retired employees were given complimentary lunch cards entitling them to cafeteria privileges as the company's guests. Now each employee on his retirement receives his permanent guest card.

● **Arbitration decisions**—Horseplay penalty changed—A firm in Michigan weakens its arbitration case by admitting that a crack-down on horseplay had not been intended to apply against workers who dispose of waste

materials by making long-distance throws to trash cans.

Largely on admission of the company's personnel manager that so-called "legitimate" throwing was not considered punishable horseplay, Umpire M. S. Ryder lifts the one-day suspension of an employee caught pitching some wrapped waste glass into a receptacle 15 to 18 feet from where he worked. Ryder nullifies the penalty because the employer, Bay City Shovels, Inc., was unable to prove that the grievant's throw was sheer horseplay, rather than a long-distance attempt to dispose of waste. The award sustains Local 1876 of CIO's Steelworkers, which claimed that management long had given its passive assent to the practice of throwing waste into cans, even to the distance thrown by the grievant. The union said the disputed throw was not horseplay and did not endanger fellow employees.

● **Court decisions**—Cash in lieu of reinstatement—Employee who previously accepted a cash settlement for a total and permanent disability may not sue his employer at a later date for reinstatement to his old job. *Joseph Scarano v. Central Railroad Co. of N. J.*; USCA 3; Case 10942; April 14, 1953.

**Employer refuses to take back strikers**—NLRB reinstatement order vacated where board fails to prove that an employer's refusal to take back striking employees was discriminatory, because management did not show conclusively that its action was justified and done in good faith. Employer's action must be taken on good faith unless the Board can show otherwise. *Rubin Brothers Footwear, Inc. v. NLRB*; USCA 5; Case 14155; April 13, 1953.

**Walkout over grievance**—Employees do not engage in protected activity under the Taft Act by instituting a walkout over a grievance, where the work stoppage is not consistent with provisions of the contractual agreement and with the understanding between the union and the employer with respect to the grievance. *NLRB v. American Manufacturing Co. of Texas*; USCA 5; Case 14249; April 8, 1953.

**Workers' repudiation rights are sustained**—For the second time Judge McAllister of the Sixth Court of Appeals rules that an employer need not bargain with a union which, without prodding by management, was repudiated by the workers, even if the disavowal comes within little more than one week after the union was certified following an NLRB election.

Much of the court's reasoning depends on an opinion by the late Supreme Court Justice Rutledge, who held in a dissenting opinion that since a union does not acquire a "thrall-dom" over workers who pick it as their agent, it holds its representation rights only at the

pleasure of the electorate. He added the pointed observation that an employer's role in such a situation not only allows him to cease dealing with the discredited union, but actually puts him under an "affirmative" obligation not to continue negotiating with it. On a similar point of view, Judge McAllister refuses NLRB's contention that selection of a bargaining agent must be made with "sobriety and responsibility" and that it has the same connotation of time and tenure for those elected as the election of political candidates by the general electorate. The judge says he sees no similarity between NLRB elections and political contests. According to him, the Taft Act says nothing to prohibit employers from dismissing their bargaining agent. (*Mid-Continent Petroleum Corp.*)

● **NLRB rulings**—Application for union membership—Employees are not subject to a union's authority, even though they have made formal application for membership, where the applications have never been approved by the union and the employees have never paid their first month's dues. Administrative Decision of NLRB General Counsel; Case 629; April 8, 1953.

**Pre-election influence**—A run-off election between two unions is set aside where Union A had distributed an alleged telegram, from the President of Union B to Local Union A's headquarters praising Union A and its leaders and censuring the campaign activities of Local Union B's protagonists, at Company gates a few days before the scheduled election. *United Aircraft Corp., Pratt & Whitney Division and AFL Machinists*; NLRB; Case 1-RC-2889; March 5, 1953.

**Remand on Bonwit Teller**—Following the Supreme Court's decision not to review the Second Circuit Court of Appeals' determinations and remand of the case to the National Labor Relations Board, the board issues its order against the Bonwit Teller Company which leaves in effect the ruling that the New York store should have given unions an opportunity to answer a speech made by the employer on company time and premises prior to an election.

The board, taking heed of the circuit court's remand in which it held that other charges filed by AFL's Retail Clerks did not involve violation of the Taft Act, limits its order regarding restraint and coercion solely to the following conduct:

"Discriminately applying its no-solicitation rule by making anti-union speeches to the respondent's (Bonwit Teller's) employees during working hours on the respondent's premises, while refusing to accord, upon reasonable request, a similar opportunity to address the employees to the labor organization against which such speeches are directed."

The order also sets aside the representation run-off election being conducted at the time  
(Continued on page 49)



*One word keynotes the formula for selling gas.  
Only shirt-sleeves devotion to the task will open its secrets*

# Do you know what sells gas?

By ROY E. WRIGHT

Director of gas sales  
NEGEA Service Corporation,  
and Second Vice-President  
The New England Gas Association

I will tell you, in one word, *what* sells gas—*Acceptance!* The acceptance of the gas appliance in customers' homes sells gas.

The amount of gas you sell, the number of gas appliances you sell, the amount of gas load you retain or lose to competitive fuels, the number of gas appliances sold by dealers, the cost of selling gas and gas appliances, the cost of retention of your present gas load—all of these depend upon your customer acceptance of gas as a fuel.

What, then, are the factors that gain or lose that valuable customer acceptance for you?

First, and most important, is the performance of gas appliances in the customers' homes. This is commonly known as "the utilization" of gas. Your customer acceptance is in direct proportion to the performance or the utilization of gas.

Second is publicity. Good publicity helps the acceptance of gas. Bad publicity raises havoc with its acceptance.

Third is the cost of gas in relation to competitive fuels.

Fourth is the amount, type and kind of sales promotion used.

Fifth is hard work.

The most serious problem facing the gas industry today is the utilization of

gas or the performance of gas appliances in customers' homes. Upon our ability to solve this problem will depend our success in holding or losing the cooking load.

Our utilization troubles of the last few years must be eliminated if we are to progress as an industry. Whether you like it or not, in some cases, poor performance of gas appliances in the home has been a big aid, comfort and assistance to our competitors. It has been a big factor in the increased ratio of electric range sales to gas range sales in the last few years. Upon the solution of this problem rests the future progress of the gas industry.

## Sales problems hidden

Increased demands for gas, especially for heating, have precipitated production and distribution capacity problems, unheard of before the war. Government regulations, restrictions and shortages aggravated the situation. Labor problems, natural gas problems, financing problems, insurance problems, rate cases and various other problems have diverted the attention of too many executives from recognizing fully and adequately the seriousness of utilization troubles and their effect upon the gas business.

Too little thought or care has been given by manufacturers to the nature of the performance of their appliances in customers' homes. The utilization problem represents a number of small troubles which have built up into a big and important problem. Individually, these various troubles were not big enough to attract the attention that they deserve from company executives be-

cause of other more immediate problems that have often commanded their time.

In the last 12 years, more and more automatic appliances have been added to our lines. Each automatic gas appliance represents a service problem. In the old days, the only requirements for a service man were a pair of pliers, a screw driver, a strong back and a weak mind. Today, a service man must have a mechanical aptitude, a good training and a certain amount of ingenuity to use the specialized tools which are part of his equipment.

While I may sound pessimistic, I am not because I am a firm believer that no problem is too big for solution if we can get everybody to think about it and to do something about it. I am happy to report to you that the Board of Directors of the American Gas Association has recognized the seriousness of the problem, and is now taking action to combat the inroads made by competitive fuels. It is a problem common in some degree to every New England gas utility manager but, for some reason, no one wants to admit that he has it. Who is kidding whom? It matters little whether you have low Btu gas and mix other gases with it in the winter or whether you have high Btu gas—the problem is common to every gas utility. Certainly, natural gas has been no help in this respect. With natural gas, we can expect peak-shaving mixing problems.

Sales are not made in the sales department. They are made by the production, distribution, service and executive departments. The sales department is only a vehicle through which sales are consummated. The production and distribution departments can ruin your customer

Abridged version of a paper, presented before the New England Gas Association annual meeting, Boston, March 27, 1953.

acceptance or they can play a big part in building it up. Each company should study its own situation and take action to correct those factors which affect the acceptance of gas.

The higher Btu gases are more critical than the old water or coal gases. They can be made to perform satisfactorily but your service man will need special training, patience and time to learn how to correct the troubles which they present.

Tests have proved that wide variations in Btu, changes in specific gravity and fluctuations in pressure can ruin the performance of gas and precipitate service calls. Pressure, particularly, is important. A variation of plus or minus two inches water column will precipitate service calls with certain types of critical burners.

I am not too concerned about the customers who call for service. You have a 50-50 chance to satisfy those customers. I am worried about the customer who suffers in silence or who is tired of calling for service and who, at the first opportunity, buys an electric appliance.

Service calls may, therefore, originate in the production and/or distribution departments and be beyond the control of the service department. It is important to have conferences among the heads of these departments to explain the importance and relation of the operation of their departments to utilization problems and their effect on sales.

### Adverse publicity hurt

Performance or utilization is the most important factor today in increasing or decreasing our customer acceptance. Before the war, many of us spent much time, effort and money in building up the acceptance of the gas refrigerator. We went through World War II with good acceptance of the gas refrigerator. We came out of World War II with a better acceptance due to the experience of the G.I.'s around the world with the Servel refrigerator. In 1949 and 1950, there were some unfortunate accidents in New York City and later several in New England. As a result of the adverse publicity from these accidents, together with utilization problems, the gas refrigerator today is the appliance which we find hardest to sell.

We have about 40,000 meters in our New Bedford company, of which about 18,000 are in so-called cold water flats. We built up a good acceptance for space heating in New Bedford before the war and continued to build it up after the

war. Because of good customer acceptance, we sold 2,453 space-heating jobs in New Bedford in 1951 with *three* men. In the latter part of 1951, we went through a conversion in New Bedford. Early in 1952, we suffered from conversion pains, plus some adverse rate publicity. The result was that, during the first six months of 1952, we sold less than 500 space-heating jobs with the same three men.

Let us next consider the effect of publicity on acceptance. Adverse publicity can ruin your acceptance and good publicity can be a big factor in your success. The gas utilities have no panacea for an inflation. Why don't we tell the customers our story in the same way that the telephone company does? Would it not be better when applying for a rate increase to have it known, for example, that the increase will cost the average customer about 25 cents a month—less than a penny a day—instead of letting the newspapers run a story that the proposed rate increase will cost the community \$200,000? The pipeline companies, through their adverse publicity, have probably done more harm to the New England gas industry than can be repaired in a long time. Bad publicity, whether true or false, does great harm.

It is not my purpose to discuss gas rates. That is your own individual company's problem. I will, however, make a few general statements on the *price* of gas which is a basic factor in the question of what sells gas:

1. You must have reasonably competitive rates to survive the battle of fuels.
2. There is a high-rate level beyond which you cannot go and still hope to sell your product and keep it sold.
3. There is a low-rate level beyond which the gas companies would be needlessly giving money away.
4. Between these two points, your volume of gas sales will be in almost direct proportion to your rates—provided that the gas rates are properly promoted.

If you want to add large volumes of gas quickly, your rates must be low enough so that people will buy appliances not only from the gas utilities but also from the dealers. Good rates and even low rates are helpful only if the performance or the utilization of the gas appliances is good.

In the late thirties, the oil industry made serious inroads into our commercial cooking load. At that time, the retail price of oil was about 5½ cents per

gallon. A restaurant owner could cook with oil for about one-half to one-third the cost of cooking with gas. But they had so many service problems and utilization troubles with oil that they replaced the oil appliances with gas in spite of double or triple operating cost. The same thing could happen to the gas industry.

Good performance and competitive rates must be supplemented with a good sales-promotion program. If you ask, "Who sells gas?" there is only one answer: "The gas utility and no one else." You can be sure that no one is going to promote your business but yourself. To do a good sales-promotion job, you must have (a) a strong, aggressive gas-utility sales force (b) good, aggressive advertising in amounts large enough to obtain customer readability (c) a good, workable program that will help the dealer.

I am a strong believer in dealer cooperation but a dealer will sell the appliances that have the best acceptance and that are easiest to sell. He is not interested in the battle of the fuels. He is interested *only* in making an appliance profit. He is not interested in promoting the gas business.

### Merchandising stressed

W. L. Hayes, general sales manager, Montana-Dakota Utilities Co., Minneapolis, has an interesting article entitled, "Merchandising Is a Must!" in the February, 1953, issue of the A. G. A. MONTHLY which has a bearing on my remarks today. Here are several short excerpts from his article:

"At least 90 percent of the so-called gas appliance dealers also sell electric appliances. They aren't interested in building gas load for the gas company. They aren't interested in protecting gas load for the gas industry. They are interested in selling appliances at a profit; and if they can make just as much profit selling an electric appliance as a gas appliance, they'll sell an electric appliance."

"... a large majority of all gas appliances sold by dealers throughout the country today are sold by department stores, furniture stores, hardware stores, filling stations, and the like. Those merchants have a thousand and one other items to sell besides gas appliances. Gas appliances are of secondary consideration to most of them."

"The March, 1952, issue of *Electrical World* contains a story in which it is stated that 67 percent of all the electric light and power companies in the country today are back in the merchandising business. It is conservatively estimated that there are between 30,000 and 35,000 retail salesmen selling electric appliances. A survey just completed by A. G. A. Headquarters reveals that

(Continued on page 56)

*A Statement of Good Practice in Customer Gas Service has been developed from a survey of member companies*

## Gas industry servicing policies

By C. GEORGE SEGELER

*American Gas Association  
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This is essentially a report about two things. The first of these is a report on the findings obtained by the Committee on Customer Service Responsibility, appointed a little more than a year ago by the Executive Board. This committee sent out a very large check list on which member companies were asked to report in detail about their customer service policies and certain other matters. All of this data has now been summarized and evaluated to show significance of the individual items that were studied.

This material served as the background for the preparation of a Statement of Good Practice in Customer Gas Service. The nature of this statement is the second subject for report.

Although more than 400 points were included in the check list, complete responses covering 96 percent of the meters of A. G. A. member companies were received. The unusual degree of coverage clearly indicates the interest in the service policy problem and the need for this factual data as a basis for committee proposals.

In general, there is great similarity in service policies. Since these policies were independently arrived at by the several hundred A. G. A. member gas companies, it would be a logical conclusion that they are sound policies. This implies that they meet the needs of the customer, that they

are economically feasible and that they are acceptable to the utility commissions.

The survey covered service policies for all of the commonly occurring customer requests such as burner and control adjustments, lubrication, cleaning flues, turn on-turn off, and parts replacement or repair. The equipment for which this information was secured included ranges, water heaters, refrigerators, central heating units, floor and wall furnaces, room heaters, commercial and industrial appliances, as well as customer owned piping. This was supplemented by questions on standards, codes and inspections. Furthermore, gas companies were asked to indicate whether service was "free," "at cost" or "higher than cost" and how this was affected by the questions—"who sold the equipment and was it in or out of warranty."

### Data tabulated two ways

This summary is based on the replies to the check list which was the medium through which gas companies furnished answers to about four hundred service policy questions. The answers were tabulated on the basis of the meters they represented and also on the basis of company counts. These data, in turn, have here been presented in percentages for easy visualization of the entire picture.

Analysis of the data on a meter basis confirms the generally held opinion that almost all gas companies recognize the need for this service work by the utility, although not necessarily without charge. Yet, more than 80 percent of the gas customers receive service without charge, in so far as it involves adjustments of gas

burners and controls. The remainder of the customers pay for these services at cost or less, with the exception of a small group amounting to two percent of the meters, who pay for it at higher than cost. There probably should be little distinction between "service at cost" and "service at higher than cost," since the notes appended to the check lists indicated considerable difference of thinking on the part of gas companies as to what constituted their service costs. There is general agreement that this service should be rendered promptly. Table I shows this data in summary form; it is expressed in percent of reporting meters.

When other services such as lubrication and cleaning of flues, are studied, it appears that an increasing percentage of customers have to look elsewhere than to the utility for such work and an increasing number of utility charges are reported. Table I shows this data in summary form. The low percentage (29 percent) of meters receiving free clean out service for central heating equipment suggests that this may not be needed in places supplied with sulphur-free natural gas. Also, there are few such installations in certain southern areas.

As anticipated, the check lists showed that a substantial percentage expressed by meters or by companies do not do this work but turn it over to outside agencies. Furthermore, among those companies who do this type of service work, it is the rule rather than the exception to find that they charge for the parts. However, the general thinking underlying such charges is in keeping with policies aimed at making gas appliance service available at minimum expense to the community, since two out of every three of their

Abridged version of a report presented before the A. G. A. Distribution, Motor Vehicles and Corrosion Conference, Chicago, April 13-16, 1953.



customers would be able to secure repair and replacement work at cost or less. Table II summarizes the situation with respect to repair and replacement of parts in percentage of total reporting member company meters.

A somewhat surprising number of meters are receiving free periodic inspections, independent of calls from customers for such service. As a percentage, the number of meters receiving such services for ranges, water heaters, and refrigerators is not significant but the fact that such services are rendered at all may be of more than passing interest.

In the case of central heating equipment and floor furnaces, 25 percent of all reporting meters are given free periodic cleanout. The manufactured gas companies are rendering these services, presumably because the nature of gas requires definite attention to the condition of the equipment. A smaller percentage of customers, ranging from six percent to nine percent of all meters, is being given free periodic inspection of heating equipment for such work as burner adjustment, control adjustment and lubrication. It seems likely that further analysis of the companies rendering such service will reveal that they are in highly competitive situations where these additional periodic customer calls are made in order to demonstrate the superiority of gas equipment in a continuing fashion.

The totals in the four remaining columns in the customer service responsibility check list reflect the policies tabulated in the first columns. Generally, companies which gave free service made this available regardless of who sold the equipment or whether it was in warranty or out of warranty. Since a great many utility companies do not merchandise, they naturally reported that they do not "service appliances sold by them." Therefore, there does not seem to be much significance in summaries of this column in the check list.

Contrariwise, the very high number of reporting meters in the column headed "Servicing done on appliances sold by others" clearly shows that utility companies accept the responsibility for servicing gas appliances regardless of the selling agency. This is again reflected in the very high number of meters reporting that they take care of service out of warranty. Table III shows this in percentage of reporting companies.

A larger number of companies find

TABLE I—FREE SERVICE VS CHARGES COMPARED BY % OF TOTAL REPORTING METERS

	Free Service by Utility Co.	Charge for Service by Utility*	Charge for Service by Others
<b>RANGE</b>			
Burner Adjustment	83.5%	16.0%	0.4%
Control Adjustment	78.4	21.0	0.4
Lubrication	75.0	21.8	3.1
<b>WATER HEATER</b>			
Burner Adjustment	84.7	14.6	0.4
Control Adjustment	82.0	17.4	0.4
Lubrication	75.3	19.8	4.5
Cleaning flues and burners	58.5	24.6	16.6
<b>REFRIGERATORS</b>			
Burner Adjustment	79.5	15.7	4.5
Control Adjustment	73.7	17.8	7.7
Cleaning flues and fins	49.5	34.4	15.2
<b>CENTRAL HEATING</b>			
Burner Adjustment	81.4	18.0	0.4
Control Adjustment	77.7	19.8	2.2
Lubrication	71.0	19.4	9.5
Periodic Clean Out	27.0	24.2	47.8

\* Includes 2% (approximate) whose charges are higher than cost.

TABLE II—REPAIR AND REPLACEMENT OF PARTS IN % OF TOTAL REPORTING METERS

	Free Repair & Replacement	Repair & Replacement at Cost or Less by Utility	Repair & Replacement Higher than Cost by Utility	Repair & Replacement Outside Agency
Ranges	17.8%	37.5%	17.5%	27.2%
Water Heaters	19.0	44.6	17.2	19.0
Refrigerators	10.9	46.4	24.7	23.0
Central Heating	4.5	36.4	17.4	40.0
Floor & Wall Furnaces	4.7	39.3	16.2	40.1

it desirable to inspect installations before leaving them for customer use. Presumably this work is done for two reasons. First, to make sure that the installation conforms to the "rules" (which might be those of the utility company and those in the city building code). This inspection shows that the job can be expected to operate safely. Second, to check calibration of controls, level installation, proper gas inputs and similar points which will make the job produce customer approval and praise for the performance of gas appliances. However, when these reports of inspection practices are analyzed numerically and by appliances, it is evident that about half of all installations are made without

having such a final check.

As for the coverage by city codes, six million meters are in cities requiring conformity to a code covering ranges and refrigerators. As might be expected, a slightly higher coverage is extended to water heaters and heating equipment, where some ten or eleven million meters are under city codes.

The important and somewhat controversial issue of equipment standards beyond A. G. A. approval is treated very differently by various segments of the gas industry, dependent largely upon the type of gas served. In the case of central heating equipment, 65 companies have additional standards—that is, one company out of every four. The meters rep-



TABLE III—SERVICE POLICIES WITH RESPECT TO DEALER SALES AND WARRANTY EXPRESSED AS % OF UTILITY COMPANIES WHO SERVICE APPLIANCES

	Servicing Done on Appliances Sold by Others	Servicing Done in Warranty	Servicing Done Out of Warranty
Ranges	99.3%	80.4%	99.2%
Water Heaters	98.1	81.4	97.2
Refrigerators	97.1	83.3	97.5
Central Heating	99.0	72.0	97.0
Floor & Wall Furnaces	97.3	71.5	97.2

TABLE IV—INSPECTION AND STANDARDS BY % OF TOTAL REPORTING METERS

	Ranges	Water Heaters	Refrigerators	Central Heating Equipment	Floor & Wall Furnaces
<b>New Installations</b>					
a. Own installations inspected by gas company	59.9%	51.8%	58.8%	40.4%	40.3%
b. Installation by others inspected by gas company	21.2	35.6	38.5	55.9	52.0
c. Installations specifically covered by city code	32.0	55.6	30.7	52.3	48.2
<b>Does your company prescribe</b>					
a. Minimum equipment standards beyond A. G. A. Approvals	11.2	18.0	12.3	34.2	23.8
b. Minimum installation standards	70.9	76.8	77.5	77.0	68.7

TABLE V—SIGNIFICANCE OF INSTALLATION INSPECTIONS

	Ranges	Water Heaters	Central Heating Equipment	Floor & Wall Furnaces
a. Per cent sold by gas company	13.0%	13.7%	5.0%	4.4%
b. Per cent of a. inspected by gas company	59.9	51.8	40.4	40.3
c. Per cent sold by dealers	87.0	86.3	95.0	95.6
d. Per cent of c. inspected by gas company	21.2	35.6	55.9	52.0
e. Total per cent of all appliances inspected	26.1	37.8	55.2	51.5

resented by these companies are in about the same proportion. Approximately forty companies have special standards for refrigerators, water heaters and ranges, but they represent only 12 percent to 15 percent of the meters.

The relatively high response to the question "Does your company prescribe minimum installation standards" seems a natural conclusion from the similar high response to the question on inspection by the gas company of appliances sold by the gas company. However, any interpretation of the answers leads to the conclusion that the limited coverage of appliances by city code and the limited inspection of appliances sold by dealers leaves this a fruitful area for

additional coverage. The benefits of such work should be greater safety and greater acceptability of gas because the installations will be in better working order and will be properly set up to do the job which the customer wants done. Table IV interprets the answers to questions on standards in percentages of total reporting meters.

Table IV has shown us the extent to which appliance installations are inspected by gas company personnel. When these data are translated into percentages of all appliances installed, the numbers are small but significant, as illustrated by Table V. In the case of ranges, for example, about 26 percent of the new ranges are given such an inspection. This

information raises the question as to why this work should be done at all. To shed a little light on that question I asked a number of gas companies who make such inspections to tell me what their inspectors found and whether such work was considered unnecessary or desirable. In each case they answered that the work was necessary and that they would under no circumstances give up this program. It was not a matter of being "desirable" but the work was necessary, they said, to assure customer satisfaction with the equipment and to prevent unsafe venting practices.

We may then ask ourselves this vital question: What would we find if all installations were given such inspection and what effect would this have on customer acceptance of gas equipment and on safety?

Illustrative of the numerical levels of what was found is the report of a large utility company which sold a total of 14,815 gas appliances in the following categories:

CP ranges	1473
refrigerators	3837
water heaters	4817
house heaters	2318
dryers	491
miscellaneous space heaters	1879
total	14815

All of these were given an inspection and 2,289 violations of good practice were found requiring attention. What the inspectors found included improper flue connections, gas leaks, water leaks, appliance not level, improper location of appliances, trapped gas lines, electrical wiring defects, old materials and undersized piping.

Can the industry as a whole afford to ignore such revelations?

In broadest terms, the nature of a utility company does not seem to be a determining factor in the stand taken with respect to gas appliance service policies, as revealed by a company count of the check list responses. On the other hand, when the check lists are studied in detail, there are some marked differences in percentage of companies following certain policies.

It is clear that free service is offered by a smaller percentage of the combination companies and the corollary to this is that a higher percentage of combination companies make charges for service.

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# Life is our first resource

By W. T. ROGERS

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**P**reservation of the nation's resources was a topic of acute national concern even before the days of the crusading Teddy Roosevelt. In those early years, national resources meant forests, rivers, soil and minerals. These are still important to our national economy . . . but in 1953 our No. 1 resource is LIFE. In particular, it is the life of the trained, educated, working American.

In our society, the home and the community make a tremendous investment in an individual, then turn him over to industry for further development. It is only after this triple investment that the individual reaches his full utilization.

What a waste, then, when 37,600 such individuals are killed and more than two million permanently disabled each year in automobile accidents alone. Did you ever stop to count the cost of wasted schooling and specialized training? Did you ever consider the time and effort that is thrown to the winds each time you hear that familiar shriek of brakes and the following dull thud?

No longer can we ignore this waste of our most precious investment. Industry must take the lead, to win even further accident prevention gains, not only in offices and factories, but in all areas of human life. We can all be proud of the

An abstract of an address presented at The Virginia State-Wide Safety Conference, Roanoke, May 7, 1953.

record made in accident prevention in the last 25 years. There is hardly an industry in all America that has not made a substantial improvement. But to win, we must strive much harder.

How does the utility industry stand in this crusade? When we look back over *our* record for the past 10 or even 20 years, we see that the number of fatalities per 1000 workers has remained fairly constant. Unlike most American industries, we cannot be proud of any great strides. Despite the efforts of others, *we* have done little more than hold our own since the initial advances of the early 1920's. In fact, for several years in the late '40's, we lost ground, and are only now showing better results.

In the face of this record, and in the face of what remains to be accomplished, we cannot stand complacent. An analysis of the fatalities will convince you that most, if not all, of them could have been prevented.

Just what *can* the gas industry do to further the cause of accident prevention. What can the industry do to preserve the nation's No. 1 resource?

The gas utility industry can:

1. Set its own house in order by putting teeth in its own accident prevention work. This will be done when management ceases merely to foster and/or participate in safety activities, takes the gloves off and says: "Safety is an important part of the job. We mean it and we intend to prove we mean it." When management leads and enforces the safety program and places responsibility for safety on all levels of supervision and, through supervision on all employees, the accident experience will improve. Until then, the best we can hope for is a holding of the line and perhaps slight gains on a few fronts.

Management, after providing the necessary safety equipment and safe guards and after providing the leadership and training, will then have to insist that safety will be considered on equal terms with all other operational functions of supervision and employees alike.

The accident record of the gas and electric utilities is not good and is certainly not in keeping with the traditions of dependable service and technical advances for which we are noted. While very fine accident prevention work is being done by some companies, there are still many companies that pay little or no attention to this work. We will not im-

prove our record until accident prevention is considered an important part of utility operations by management and is invested with the necessary prestige and responsibility.

2. The utility industry can pay greater attention to public accident prevention—to make sure that people are not killed or injured in the use of its products or through its facilities. Electrical contacts, fires, explosions and similar accidents must be kept to an absolute minimum so that our facilities can be used with perfect safety and confidence.

3. We can pay more attention to training of the drivers of our cars and trucks. Not only to prevent the drivers from being hurt, but to prevent injury to the public and also to set an example of safe driving.

4. Finally, the utility industry can and should participate in or take the lead in all community, state and national movements to prevent accidents to our citizens in the home, on the farm, on the highway and in all walks of life.

If we are to survive as a free nation, if we are to provide the leadership which the free world expects, we must preserve our No. 1 Resource: people of high moral character, education, training, skill and experience. We must take it upon ourselves to see that these people live out full, useful and productive lives and are not cut down midway by wasteful, unnecessary, sinful accidents.

## No sale?

Come spells when buyers are speechless,

Most calls are a dismal flop,

You press and try as the hours roll by

But the orders refuse to drop.

That's the time to pause and remember

An adage that never grows stale—

The longer you go without an order

The nearer you are to a sale.

The scientists claim that Nature

Progresses through ebb and flow,

Don't sit and yearn for the tide to turn

But help the old girl to go.

Replace those half-dead prospects,

Shine up that approach, and how!

Dress popular deals with new appeals

For purchasing here and now.

The boss hasn't changed, nor the product,

Nor the trade who normally buy;

When sales stay bad get wise, my lad,

Search yourself for the reason why.

Examine your whole sales method,

Discarding techniques that fail;

You'll shorten the time since an order,

And shorten the space to a sale.

—Francis W. Sullivan, Printers' Ink

*Internal auditing should be complemented, but not replaced by the work of the independent public accountant*

# How much auditing is enough?

By CHARLES J. NICHOLS

*Auditor, Consolidated Gas, Electric Light and Power Company of Baltimore*

Sometime ago I remarked to a friend that I had been asked to discuss the subject "How much internal auditing is enough?" His cynical smile annoyed me at first, but when he suggested that I consult a modern-day Solomon, a genie, Mr. Gallop, or perhaps the Oracle of Delphi, I realized that he too understood the complexity of my assignment. Thinking back over my challenging experience as an internal auditor, one paramount thought kept repeating itself in my mind—approach the problem objectively.

In attempting to resolve the question: "How much auditing is enough?" one must necessarily consider the interests of top management, the independent public accountant, and, last but not least, the internal auditor. Any top executive will readily admit that as a company increases in size and organizational complexity, it logically follows that increased authority must be delegated to subordinates and greater reliance placed upon adequate administrative checks and balances. Notwithstanding this needed delegation of authority, management still retains the primary responsibility for safeguarding assets and for maintaining efficient operations. While the organizational structure of a company may be properly designed to accomplish maximum checks and balances between "line" and "staff" functions, such mere functional segrega-

tions alone do not assure effective managerial control.

Management's greatest problem is that of coordinating and maintaining constant harmony among functional or divisional heads, to the end that all phases of a company's operations are effectively administered. A Harvard professor once



C. J. Nichols analyses the growing importance of internal auditing to business management

described this balancing of equities as the "human equation of big business."

In the divisional type of corporate organization in which separate officers have responsibilities for production and operations, sales, finance and accounting, and, perhaps, industrial or employee relations, the interest of one division may conflict with those of another. Moreover, many divisional or department heads are often so busily engaged in supervising their day-to-day operations that they have little time for objective evaluation of their practices and procedures. Nor can supervisory personnel be expected to ad-

mit readily to management that inefficiencies have crept into their operations. Such action would be commendable indeed, but it presupposes a basic departure from normal human behavior.

In this changing world one cannot remain static without becoming decadent. During the past ten years, our respective companies have experienced unprecedented expansion of physical facilities and personnel involving virtually every phase of operation. Practices and procedures of ten years ago may today prove ineffective and uneconomical.

In a recent publication I was interested in the following maxim: "When something has been done in a particular way for fifteen or twenty years, it is a pretty good sign, in these changing times, that it is being done the wrong way." Furthermore, the acute labor problems of recent years have had deterring psychological effects on all supervisory personnel. Assuredly, departmental and divisional heads have been inclined to apply somewhat the *laissez faire* doctrine to personnel performance. Executives and administrative analysts have recognized these trends and are endeavoring to find new and improved methods of managerial control. One phase of such control has been the expanded use of internal auditing as a function distinct from that of accounting.

In a relatively short span of years internal auditing has emerged from a routine checking function to an independent staff service for top management. In this connection, have you ever studied a representative number of corporate organization charts and then attempted to answer the question: "On whom should management rely for independent analy-

A presentation sponsored by the American Gas Association and Edison Electric Institute Internal Auditing Committees at the National Conference of Utility Accountants in New York City, April 8, 1952.



sis of departmental operations and the submission of unbiased reports on practices and procedures, adherence to management's policies, personnel evaluation, and operating efficiencies?" After making such an objective study, a leading university professor concluded that the internal auditor was the only logical individual who should be assigned such responsibilities.

Howard Kellogg, assistant chief accountant of the Securities and Exchange Commission, last year before the New York Chapter of the Institute of Internal Auditors made the observation that "internal auditing staffs are, to a rapidly growing extent, being utilized for purposes considerably beyond the scope of traditional internal control in the strict sense that it contributes, via the public accountant's certificate, to investor and public protection against fraud. This extension is in the direction of operations study or the analysis of performance and execution of policy in various phases of a company's operations." Internal auditing is no longer associated with or limited in its scope to traditional accounting subjects. It is now a service aid to management in evaluating departmental and divisional performance in terms of management's policies and objectives.

### More value to management

Thus, management's dependence on internal auditing is now well established, though it is in the area of transforming this functional responsibility into standards of acceptable performance that the internal auditor is confronted with his most perplexing problem. While satisfying management's demands is undoubtedly the prime consideration of the internal auditor, he cannot overlook the attitudes of the independent public accountant in formulating his audit program.

The primary responsibility for safeguarding the assets of concerns and preventing and detecting errors and fraud rests on management. As representatives of public utility companies, whose activities are dedicated to the public interest, we should always be mindful that any large incident of defalcation or fraud and, indeed, any large-scale inefficiencies in any segment of our operations may well serve as the basis for public condemnation.

Nor can management delegate these inherent responsibilities of stewardship to the independent public accountant. In

this connection, the American Institute of Accountants, through its committee on auditing procedure, has stated: "It is impracticable for public accountants to make detailed audits of most companies within economic fee limitations." Instead, the independent public accountant must necessarily rely, to a great extent, on the effectiveness of a company's system of internal control, an important element of which is the scope and activities of the internal auditing staff. The work of the public accountant should be properly regarded as a complement rather than as a substitution for the examinations by the internal auditor.

The public accountant is concerned primarily with expressing an opinion on the reasonableness of dollar amounts contained in financial statements. He naturally employs those auditing techniques which will enable him to express such opinion with a minimum expenditure of time.

The internal auditor, on the other hand, is concerned not only with the verification of dollar amounts, but also with determining whether the particular transaction was properly authorized and recorded in accordance with established procedures. Also, he endeavors to appraise the adequacy and effectiveness of such procedures and to recommend changes if the end result is the improvement of internal controls or greater efficiency in operation. In fact, the evolution of internal auditing has been toward placing diminishing emphasis on the analysis of ledger accounts and examination of supporting documents and devoting increasing effort to the area of measuring the efficiency of personnel and departmental performance.

These trends logically emanate from top management's interest in learning whether company policies are being adhered to and whether procedures are adequate, as well as the correctness of dollar amounts appearing in financial statements. The internal auditor, however, must continue to evaluate properly this latter responsibility because the amount of effort devoted to this field is a factor considered by the independent public accountant in determining the scope of his audit procedures and the extent of his tests.

In attempting to resolve how much auditing is enough, the internal auditor should first endeavor to satisfy at least the minimum requirements of the inde-

pendent public accountant. Investors, the public, and regulatory authorities alike place considerable importance—and rightly so—on the independent certification of financial statements. In accepting this responsibility, however, the American Institute of Accountants has stated: "In most engagements undertaken for the purpose of expressing his independent expert opinion, the public accountant expects the company's accounting department to produce financial statements and collateral accounting records which management is satisfied are proper, complete, and free of material error."

Hence, in recognizing management's basic responsibility for the authenticity of financial statements, the internal auditor should include among his responsibilities a periodic verification of all balance sheet accounts. Such verification should be coordinated to the maximum extent with the activities of the independent public accountant.

### Internal functions rise

Many public accountants now permit the internal auditor to prepare all confirmation requests to banks, fiscal agents, registrars, trustees, and custodians, as well as to utility customers, requesting confirmation of balances. Through verification of accounts, the internal auditor not only can vouch for the accuracy of the financial statements on management's behalf, but also his activities should reflect in the scope of the public accountant's examination and the fee charged.

Opportunities for expanded cooperation between the internal auditor and the independent public accountant are becoming increasingly evident in many companies. Such coordination of activities would certainly appear to be in the best interest of both industry and the accounting profession. To repeat, the two functions, for practical purposes, are complementary.

In auditing the accounts and records of any company there is no sure mathematical formula—at least to my knowledge and experience—for determining what constitutes reasonable coverage. Audits requiring complete verification of all transactions should be a rarity indeed. The internal auditor's greatest problem is that of knowing when to be satisfied. At best he must rely largely on judgment and experience although ever recognizing that inadequate test checks

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*Regional sales training clinic proves a valuable complement to comprehensive programs by individual utilities*

## Lay stress on sales training

By HAYES S. WALTER

*Commercial Cooking Representative  
American Gas Association*

● Salesmanship has top level importance in the plans of today's gas industry leaders. Methods of training salesmen and of encouraging their "all-out" efforts are being studied and put into effect by gas utilities and by gas appliance manufacturers. A method that has met with considerable success is described here.

The New England Regional Sales Training Clinic conducted by the Boston Consolidated Gas Company in cooperation with a number of gas appliance manufacturers was successful both from the standpoint of attendance and the reaction of both the participating manufacturers and the salesmen who attended.

The clinic was conducted on Friday afternoon and evening, April 24. We were told if we had fifty at such a meeting we should feel very happy. We had an attendance of 159, 84 of whom were dealer salesmen. This was because full support was given to this by the New England F.S.E.I. Group.

The clinic was an intensive series of half-hour lectures with a break in mid-afternoon for coffee and with a break at 5:00 p.m. for a buffet supper.

There was a lecture on how to specify the right range, a lecture on broilers, and another one on roasting ovens. Then we had two brief lectures on steamers; another lecture on counter appliances.

These were followed by talks on dish handling and sanitation. Films on baking ovens and on sanitation were shown. In addition, we had an inspirational talk by Willard Slagle, the past president of the Massachusetts Restaurant Association who told the dealer salesmen what the restaurateur expects from them.

To wind up the program we had Jack Cadle together with the artist, Phil Hustis, who draws the cover for *Restaurant Equipment Dealer* deliver an entertaining and helpful object lesson on good salesmanship. At the end of the meeting we had several prize drawings to add a spark to the meeting.

We asked those present to fill in a questionnaire in order to get the reaction of the group toward this meeting. This questionnaire led off with this question: "Has this clinic been a sales help to you?" All but one answered "yes." To the second question: "Would you attend another clinic this fall?" all answered "yes" with the exception of that same, unhappy individual who again said "no."

### Ratio highly favorable

Another question: "Do you think broader coverage of the topics is advisable?" brought out a five-to-one ratio for "yes." The question, "Would you attend a two-day week-end clinic?" brought out a favorable answer in the ratio of three-to-two. We also asked them what topics interested them most. The one receiving the highest percentage was the inspirational talk given by the past president of the Massachusetts Restaurant Association. Next in line was the duet from *Restaurant Equipment*

*Dealer* and the films ranked in next place.

The final question was: "What subject or subjects not included here would you like to have on the next clinic?" brought out many helpful suggestions which we can catalog in the order of importance:

More information on fry kettles ranked highest. Next, the salesmen wanted more films, more demonstrations, more exhibits. And, suprisingly enough, many of them wanted more information on the comparison of gas vs. electric operating costs. That is a subject we did not treat because we did not want to use this clinic as a "sounding board" for gas. We wanted it to be a program of general interest and one which would not "shove gas down their throats."

There is no yardstick we could use to measure the accomplishments of this clinic. We can only point to the favorable reaction and safely say that no man left that meeting without more knowledge of cooking appliances, without more knowledge of sanitation, without more knowledge of dish handling and without a definite inspiration to do a better job of selling. We think this clinic contributed much to improve the selling technique of those men.

Do we think this is the answer to a sales training program? Do we think this could be developed into an all inclusive program to meet the sales training needs of all concerned? Of course, the answer is "no." This clinic cannot replace—it cannot stand alone. Our clinic plan can be one of the places where we start to attack the problem. It can complement or support other more comprehensive programs. It can serve as a sales stimulus,

Abridged version of an address before the convention of the Food Services Equipment Industry, Inc., Virginia Beach, Va., May 26, 1953.

## Managing Committee hears reports, lays plans



During a recent meeting in Hot Springs, Va., the Industrial and Commercial Gas Section Managing Committee agreed to ask the A. G. A. Board of Directors to extend the Action Program for Gas Industry Development to those fields. Section Chairman Terry Hart, Nashville, is seen at the head of the table between, left, Vice-Chairman Charles C. Eeles, Toledo, and Section Secretary Mahlon A. Combs

wherever and whenever necessary, to support other educational programs that are designed to up-grade sales personalities and selling technique, in order to raise the status of the dealer salesmen to a higher level. It can be a program of review in support of the objectives of NAFEM or of FSEI. It does have a definite place somewhere in this pattern of study and our job now is to fit the cloth to the pattern.

What are the projections for these training clinics? There is much yet to be done in developing a program of maximum sales help. However, with the splendid cooperation of the manufacturers who participated in this program and who have unanimously endorsed it, we think we are setting foot on the right path. It is our intention to conduct these clinics in the major cities this fall, to the limits of the abilities of the manufacturers to provide capable and interesting lecturing talent.

The gas industry is launching a commercial cooking equipment sales campaign this fall in cooperation with manufacturers and restaurant equipment dealers. These clinics likely will be fitted into that program. This program will not be all gas but rather it will serve the entire food service field. We invite your participation in the sales program of our industry and we invite you to be with us in the clinics we conduct in your areas.

Undoubtedly, the lectures of the training clinic will have to be changed to some degree as other sales training programs take definite form. This is neces-

sary because we want our clinic to complement and support other programs.

Just what do we want to give to the salesmen? Before we can answer that question we must go deeper and answer another question. What is the salesman like; what kind of a man is he? I think we can agree that he is not what most sales managers think he is. He is not a cross between a stupid dolt and a lazy oaf. That salesman is a man even as you and I. He has the same hopes, same aspirations, same likes and the same dislikes as you and I.

I petition you that we might well stop to figure and ask ourselves what the salesman wants. I'd like to think that he wants something that we can put into his heart as well as into his head. We can't pound anything into his head unless we first put something into his heart. We can hire him physically and mentally but we will have only half a man unless we have his right attitude and his enthusiasm for ourselves and our company. Whether we like to admit it or not, we will have to agree that the salesmen in our industry are responsible men who have contributed their fair share toward planning and building the feeding business to the point where it is the fourth largest industry in America.

Most of you were plodding salesmen at one time. You know that when you were out pounding the pavement, you had hopes and aspirations—and today you are here, realizing that which you strived to achieve. Let's remember your salesmen have those same hopes.

Yes, there is something besides pounding sales sense into the minds of the salesmen. To find that something, we have to search our hearts as well as search their hearts.

What makes salesmen work? What motivates them to work more productively? In the back yard of business and industry there is a scrap heap of discarded theories ranging from the old theory of, "work or starve," to the present theory of bonuses, incentive plans and sales training programs. Professor Tosdal of the Harvard University Graduate School of Business recently completed a survey to determine what makes salesmen productive. In reviewing the careers of successful salesmen to find out what made them tick, he came up with some simple facts.

He said that successful salesmen were the ones who felt they "belonged," who felt their job was important and gave them prestige. They are the salesmen who felt that they were receiving recognition, personal status and praise—a psychic income, if you please. He termed these the "added satisfactions" of a salesman which, beyond an adequate income, he needed to become productive.

There you have it. A psychic income—a psychic income of pride in position, a psychic income of praise as a reward for good effort. And when we speak of praise, we can remember the words of Thomas Moore who said that, "Praise is a philosopher's stone that turns all it touches into gold." And also remember the words of William James, the noted psychiatrist and philosopher, who said, "The underlying principle of human nature is the craving to be appreciated."

Behind all of our training programs there is an underlying problem of human relations. I recently heard William Zeckendorf, president of Webb and Knapp, probably the most spectacular and successful real estate operator in America, say that the future of American business was not in the science laboratory—that it was not on the drawing boards—that it was not in the field of engineering—but rather in the field of human relations.

There are a thousand ways that human relations can enter into our dealings with our salesmen to give them added satisfactions, to give them psychic income. Principally, it is making him feel that his problem is our problem because we cannot get him interested in our business and in us unless we first become inter-

ested in him as an individual rather than as a group or as a character.

Recently the president of an employees' relation and management consultant firm that deals with individual business problems told me his success was due to devising plans that would give men pride in their jobs. He found that when a man has pride in his job, he begins to hope and start working for something bigger and better. Like any American, a salesman likes to feel that he is going some place. He also said

it isn't what you put into his pocket so much as it is what you put into his heart.

Let's devise training programs that will lift up the hearts of our salesmen. Let's devise educational programs that will give them heart, hope and promise for a better future.

We are sick of this disease of strict regimentation of minds. We must train our hearts to grow to the same degree as our minds. Morally we must reach the same maturity that we reach intellectually. Our challenge today in a sales pro-

gram and in the conduct of our business is to have faith, hope, trust and understanding replace greed, fear, prejudice and distrust. To meet that challenge, we must face some all-abiding truths. And those truths are so simple. They are in the Sermon on the Mount and in the Golden Rule.

By remembering that and practicing that, we can develop training programs that will fulfill our fondest hopes in the good future ahead.

## GAMA backs PEP campaign with cash prize contest

The \$1,000 PEP Prize Contest, sponsored by Gas Appliance Manufacturers Association, will start on September 1, 1953. The contest, designed to encourage gas companies to promote commercial gas cooking appliances, will run during American Gas Association's PEP Sales Campaign in September, October and November.

The prizes are worth striving for—winning gas companies will be awarded a plaque suitably engraved to commemorate the victory, and winning commercial department sales managers will receive \$300 in cash.

All merchandising and non-merchandising gas companies in the Continental U.S. who are registered in the A. G. A. PEP Sales Campaign are eligible. Contest rules consider the size of the utility, and all companies will be grouped into

three divisions. Separate prizes will be awarded to large companies of 100,001 domestic meters or more; medium companies of 25,001 to 100,000 domestic meters; and small utilities of 25,000 domestic meters or less. Thus, a company competes only with other companies registered in its size division.

Official sales reporting forms, furnished by American Gas Association, will be used exclusively. Progress reports will be submitted for periods ending September 15 and 30; October 15 and 30; November 16 and 30. The final report is due no later than December 20 and the winners will be announced early in 1954.

The winners will be determined in the following manner: competing utilities will report total amount of new commercial gas cooking appliances sold by them

or their dealers between September 1, 1953 and November 30, 1953, and installed and connected before December 20, 1953. The gas company which has sold the greatest dollar volume of appliances per domestic gas meter on its lines will be declared the winner in its division.

Determination of prize winners and decisions on all questions will depend on application of rules made by a board of five judges designated by GAMA. The judges' decisions will be final, although the judges may call upon any competitor to furnish additional detailed information deemed necessary for a final decision.

Additional information about the PEP Prize Contest can be learned from the Commercial Cooking Bureau at American Gas Association, 420 Lexington Ave., New York.

## Corrosion engineers announce additional short courses

THE NATIONAL ASSOCIATION of Corrosion Engineers will sponsor three short courses during 1953. The courses are being planned with Centenary College, Shreveport (early Fall); Texas A&M (late September); and the University of Illinois (October 12-16).

In addition, two short courses are being contemplated for the West Coast and a corrosion course is scheduled for February 1954 at Washington State College. Consideration is also being given to a short course on marine corrosion and another on cathodic protection.

Among colleges offering corrosion courses in their regular curriculae are the University of Tennessee, Stevens Institute of Technology, University of Missouri, Oklahoma A&M, University of California, University of Houston and the University of Oklahoma.

## IGT offers undergraduate scholarships

TWENTY UNDERGRADUATE scholarships will be offered annually by the Institute of Gas Technology, an affiliate of Illinois Institute of Technology, Chicago, to help train engineers for careers in the utility gas industry.

The grants were announced by E. S. Pettyjohn, director of the Institute of Gas Technology. Applications are now being accepted for the first 20 scholarships which begin in September, 1953.

"This marks the first time I.G.T. has sponsored undergraduate education," Mr. Pettyjohn explained, "and the program will be the only one of its kind in the United States."

The gas technology scholarships are available to students who have completed their sophomore year and who desire to take the gas technology option in either chemical or mechanical engineering at I.I.T.

The Institute of Gas Technology will pay one-half the recipient's tuition during his junior and senior years. The student must attend a summer term between his third and fourth years, but for this he will receive financial assistance in addition to his tuition. In 1953 payment will be \$300 for the 12 weeks.

Scholarship winners also will be given first consideration for Institute of Gas Technology graduate fellowships. These provide full tui-

tion and a stipend more than adequate to meet living costs while the fellow studies for his master's degree. For men of demonstrated ability, the grant will be extended to include study for the doctorate.

The undergraduate scholarships in gas technology, while available only at Illinois Tech, are not restricted to I.I.T. students. Application for a scholarship may be made by any student in the United States or Canada who has sufficient credit hours to enter the junior year at I.I.T.

"A graduate of the gas technology program has an excellent opportunity for advancement in this field," Mr. Pettyjohn said.



# Spotlight technical advances

Nearly 600 delegates, representing every branch of the gas industry participated in an intensive, three-day Production and Chemical Conference, staged at the Hotel New Yorker, New York City by the Operating Section of the American Gas Association on May 25, 26 and 27. General sessions, luncheon conferences and panel discussions covered a wide variety of pertinent topics, ranging from research to safety, from gas production processes to the importance of chemistry in the gas industry. Personnel, corrosion, stand-by facilities for peak-shaving, water pollution, and plant waste disposal were the subject of session papers or luncheon sessions, in the Section's continuing efforts to keep its members abreast of the latest developments in the gas industry.

At the opening general session, W. H. Isaacs, The Peoples Gas Light and Coke Co., Chicago, chairman of the A. G. A. Gas Production Committee, welcomed the delegates. He introduced C. W. Wilson, Consolidated Gas Electric Light and Power Co. of Baltimore. Dr. Wilson, as chairman of the Operating Section of A. G. A., reported to members the progress being made by the section in effecting the changes necessitated by the revision of the Constitution and By-Laws eliminating separate Manufactured and Natural Gas Departments in the association. [A. G. A. MONTHLY, June '53, p. 32.]

In the past, Dr. Wilson said, the Section had primarily been concerned with companies and individuals engaged in manufactured gas production and distribution. Under the constitutional amendments, however, the Section also takes jurisdiction over natural gas producing, gathering, transmission and storage. This additional sphere of activities has resulted in a considerable increase in the Section's registered members, requiring the appointment of an Assistant Secretary to the Headquarters staff and widespread expansion in its committees.

Several new committees have been

D. L. White, Washington Gas Light Co., chairman, Instrumentation Committee, and B. M. Keyes, same company, are greeted at the Production and Chemical Conference by W. H. Isaacs, The Peoples Gas Light and Coke Co., Chicago, chairman of the Gas Production Committee



Natural gas for New England is discussed by W. E. Churchill, Boston Consolidated Gas Co., chairman of the Operating Section's Chemical Committee, and E. G. Hammerschmidt, Natural Gas Pipeline Co. of America, chairman, Special Advisory Subcommittee, Fritch, Texas



Among opening general session speakers were George E. Whitwell, The Philadelphia Electric Co., H. Carl Wolf, A. G. A., and Dr. C. W. Wilson, Consolidated Gas Electric Light & Power Co. of Baltimore, who is chairman of the A. G. A. Operating Section, which sponsored the conference





formed within the Operating Section and jurisdiction has been assumed over other committees formerly functioning within the Natural Gas Department. A successful Transmission and Underground Storage Conference has been held, and it has been recommended that a second such conference be held in New Orleans next March, Dr. Wilson reported. He de-

clared the section was making real progress and keeping pace with the forward march of the industry.

A message of welcome to the delegates and an acknowledgement of the appreciation of the officers and members of the association for the serious effort and accomplishments of the Operating Section were tendered by H. Carl Wolf, manag-

ing director of A. G. A. He stressed the need for cooperation of all branches of the industry in carrying out the recommendations made under the Gas Industry Development Program recently launched by A. G. A. and GAMA. The recommendations concerning safety and gas production contained in the development program would be of special interest to the conference, Mr. Wolf declared.

Safety is a matter of proper understanding, wilful cooperation and carefulness; neglect and ignorance bring about most of the accidents in industry, Mathew M. Braidech, National Board of Fire Underwriters, New York, told the conference. Safety rules, as such can do little, unless proper training and instruction is supplied to the individual worker. The safeguarding of human lives calls for a continuing program of endless effort, he said.

The importance of the human element in any production program was stressed by George E. Whitwell, vice-president, Philadelphia Electric Co., in a speech, "People—The Catalysts of Production." The session closed with a report on progress made in the gasification of pulverized coal with steam and oxygen at Morgantown, W. Va. by the U. S. Bureau of Mines. Participating in the presentation were Bureau members, G. R. Strimbeck, J. B. Cordiner, N. L. Baker, J. H. Holden, K. D. Plants and L. D. Schmidt.

W. E. Churchill, Boston Consolidated Gas Co., chairman of the A. G. A. Chemical Committee presided at the second general session. T. L. Robey, coordinator of research, A. G. A., reviewed the research program now in its ninth year under the A. G. A. Promotion, Advertising and Research (PAR) Plan. He outlined some of the steps taken to insure more familiarity with work being done in gas production research. Forty-seven projects now are under way, including two new processes for producing gas.

Much of the Monday afternoon session was devoted to reports on research projects being carried on at the Institute of Gas Technology in Chicago. These included papers on the influence of operating variables upon substitutability of high Btu gases, by E. F. Searight and H. R. Linden; a report on the new auto-hydrogenation process for making high Btu oil gases as a substitute for natural gases by H. A. Dirksen and C. E. Pierson. Synthesis gas production in pressure coal gasification was treated in a paper



The A. G. A. Chemical Committee met before the Production and Chemical Conference. Seen seated, center, are A. B. Lauderbaugh, The Manufacturers Light & Heat Co., Pittsburgh, and W. E. Churchill, Boston Consolidated Gas Co., respectively vice-chairman and chairman



W. H. Isaacs, The Peoples Gas Light and Coke Co., seated, fourth from left, presided at the luncheon meeting of the Gas Production Committee, of which he is chairman. To his left is F. J. Pfluke, Rochester Gas & Electric Corp., section vice-chairman



The Executive Committee of the Operating Section met in New York during the Production and Chemical Conference. Dr. C. W. Wilson, section chairman, presided. To his right sit Past Chairman H. Bruce Andersen and Vice-Chairman Pfluke. To his left, C. F. deMey



Water Gas Committee luncheon speakers included: H. T. Maloney and R. A. Sloan, Philadelphia; Vincent Salzone, New York, who presided; J. W. Carroll, Philadelphia; W. J. Ball, Chicago; B. L. Peables, Pawtucket



Plant Waste Disposal luncheon leaders were: W. C. Wagner, Philadelphia; G. D. Clayton, Detroit; A. A. Berk, College Park; J. R. Menzies, Ottawa; K. E. Baird, Philadelphia; E. V. Harlow, Baltimore; W. H. Fulweiler, Philadelphia; Charles Koons, Kearney



Oxygen in Gas Manufacture luncheon panel, front: W. D. McElroy, Philadelphia; J. A. Clendenin, Schuylkill. Rear: L. D. Schmidt, Morgantown; C. C. Wright, State College; Denig, D. W. Beery, Pittsburgh; P. R. Grossman, NYC; Dr. Irving Roberts, Meadowbrook

by E. J. Pyrcioch and C. G. Von Fredersdorff. Mr. Dirksen, Von Fredersdorff and E. S. Pettyjohn, director of IGT, presented a paper on selection of catalytic processes for natural gas substitutes from coal.

On Tuesday morning parallel sessions for the chemical and gas production branches of the section were held. Mr. Churchill presided at the chemical session, and the program offered papers on gas industry analyses, air pollution contaminants, and pipeline odorization control. The first subject was handled by J. E. Neuzil, G. Olson and D. V. Kniebes of IGT. Air pollution was the subject of a paper by G. D. Clayton, U. S. Public Health Service, Detroit. H. L. Cline, Transcontinental Gas Pipeline Corp., Houston, spoke on odorization control.

Methods of predicting interchangeability were outlined by M. Frank Knoy, Boston Consolidated Gas Co., while J. H. Eiseman, National Bureau of Standards, Washington, D. C., presented a paper on preparing gas for use in deter-

mining the accuracy of a gas calorimeter. Controlling flame characteristics in mixed gas systems was described by R. A. Sloan, Philadelphia Gas Works Division of the United Gas Improvement Company.

Mr. Isaacs was chairman at the gas production session on Tuesday. The first paper by Ralph W. Everett, Aqua-Seal, Inc., described years of progressive work in organic coatings for corrosion prevention. Keeping LP plants in readiness was the subject of a paper by Dean B. Seifried, Rockland Light & Power Co., Spring Valley, New York, while H. Emerson Thomas, who heads his own company in Westfield, N. J., spoke on the value of industrial stand-by plants.

The effects of stockpiling on coking properties was reported in a paper by F. W. Smith, D. A. Reynolds and R. E. Brewer, U. S. Bureau of Mines, Pittsburgh. Safety in operation and maintenance of stand-by production was stressed by Willard J. Ball, The Peoples Gas Light and Coke Co., Chicago. R. P. Oliveros, Allied Chemical and Dye Corp.

New York, presented the Builders' report as the closing paper of the Tuesday morning gas production session.

Four concurrent luncheon meetings were held Tuesday. At a meeting devoted to carbonization and coke, J. F. Farnsworth, Koppers Co., Inc., Verona, N. J., presided, with Michael Perch, from the same company as alternate chairman.

A luncheon meeting at which chemistry in the gas industry was the major topic was directed by A. E. Sands, U. S. Bureau of Mines, and Dr. A. A. Orning, Carnegie Institute of Technology. Natural gas problems, gas conditioning, catalytic reforming and odorization were discussed.

Dean Seifried, Rockland Light & Power Co., and S. C. Symnoski, Philadelphia Gas Works, were chairman and alternate at a luncheon conference devoted to LP-gas. Industrial use of LP-gas, safety in LP plants and LP-gas stand-by problems were topics of discussion at this meeting.

Vincent Salzone, Consolidated Edison



Chemistry in Gas Industry luncheon speakers: W. J. Huff, College Park; D. L. White, Washington; F. E. Vandaveer, Cleveland; A. B. Lauderbaugh, Pittsburgh; A. E. Sands, Morgantown; W. E. Churchill, Boston; R. L. Coryell, New York; A. A. Orning, Pittsburgh



Panel discussion at the High Btu luncheon was led by, front row, left to right: H. R. Linden, A. H. Wicht, G. M. Hammond, chairman, John Campbell and C. B. Glover. Rear row, M. Frank Knoy, W. J. Ball, John O. Sholar, T. F. Loughry and V. M. Perry



Headliners of the Carbonization and Coke luncheon were, front row: Michael Perch, J. F. Farnsworth, F. D. Miller, J. M. Speas and Elliott Preston. Rear: N. C. Carter, H. E. Taylor, E. P. Platteicher, Jr.; F. E. Ceccarelli and E. J. Gardner



LP-Gas luncheon panelists, front: H. E. Thomas, Westfield; D. B. Seifried, Spring Valley, chairman; S. C. McLaughlin, Brattleboro; and W. H. Kramer, NYC. Rear: Henri Precheur, Newark; S. C. Symnoski, Philadelphia; J. L. Turnan, Worcester

Co. of N. Y., Inc., was chairman, and Hugh T. Maloney, Philadelphia Gas Works, was alternate at the luncheon on water gas production. Jet compressors, safety in plant operation, corrosion and utilization of natural gas pressure were some of the points discussed.

Another general session opened Wednesday morning with Mr. Isaac presiding. Methods for cleaning process equipment without dismantling same were described by M. P. Barbarin, Dowell, Inc., Upper Montclair, New Jersey. The work of an international joint commission studying water pollution was outlined by J. R. Menzies, Department of National Health and Welfare, Ottawa, Ont., Canada. Dr. E. H. Smoker, United Gas Improvement Co., Philadelphia, delivered a paper on production of high Btu gas from gasoline and kerosene. A tar dehydration report was given by A. H. Wicht, Long Island Lighting Co., Garden City, New York.

A project on control of high Btu oil gas tar emulsions being conducted at

IGT was described by H. R. Linden and R. Parker, both of I.G.T. T. F. Loughry, Surface Combustion Corp., Toledo, presented a paper on the thermofor pyrolytic cracking process for making oil gas. The TPC process has been thoroughly investigated by the Socony Vacuum Oil Co. in their laboratory and Surface Combustion Corp. was commissioned to construct a pilot plant to introduce the process to the gas industry. Mr. Loughry reported results to date of pilot plant runs which appear to establish the soundness of the theories behind the process.

"High Btu Gas," "Oxygen in Gas Manufacture" and "Plant Waste Disposal" were the subjects of three luncheon conferences on Wednesday. Glen M. Hammond, Michigan Consolidated Gas Co., Grand Rapids, and John O. Sholar, South Carolina Electric & Gas Co., Columbia, were chairman and alternate chairman, at the high Btu gas luncheon.

At the discussion on the use of oxygen in gas manufacture, W. D. McElroy, UGI, was luncheon chairman and Dr.

Irving Roberts, Meadowbrook, Pa., was alternate chairman. Papers were delivered by J. D. Clendenin, U. S. Bureau of Mines; Paul R. Grossman, Babcock & Wilcox Co.; Fred Denig, Koppers Co., Inc.; L. D. Schmidt, U. S. Bureau of Mines; P. E. Cavanaugh, Ontario Research Foundation, and D. W. Beery, Blaw-Knox Chemical Plants Division.

W. H. Fulweiler, Philadelphia, presided at the plant waste disposal meeting. A. A. Berk, U. S. Bureau of Mines, Washington, and E. V. Harlow, Koppers Co., Inc., Baltimore, presented papers on water pollution and air pollution.

The Program was developed by a committee consisting of the chairmen and vice-chairmen of the two sponsoring committees and the chairmen of their respective subcommittees, a procedure designed to insure a program of maximum interest and benefit to delegates.

It was voted to hold the 1954 Production and Chemical Conference at the William Penn Hotel, Pittsburgh, May 24, 25 and 26.



**1954 A. G. A.  
RESIDENTIAL  
PROMOTIONAL CALENDAR**

**GAS WATER HEATER**



**AUTOMATIC  
GAS CLOTHES DRYER**



**JOINT HOUSEHEATING  
AND  
AIR CONDITIONING**



**GAS RANGE**



**1954 residential sales  
promotion program  
ready**

**a PAR activity**

Several years ago, the A. G. A. Residential Gas Section embarked on a program of "long-range" or "year-ahead" planning. The objective of such planning is to make it possible to get detailed information of A. G. A. residential sales and promotional campaigns into the hands of gas utility companies and appliance manufacturers well in advance of campaign dates, to facilitate tie-in with campaigns at the national and local levels.

The success of the A. G. A. long-range promotion planning program is documented by the ever-increasing number of gas utility companies, manufacturers and dealers who participate, as well as the



## GAS REFRIGERATOR



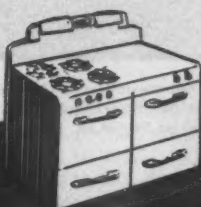
JUNE - JULY

## GAS WATER HEATER



SEPTEMBER - OCTOBER

## GAS RANGE



SEPTEMBER - OCTOBER

## GAS INCINERATOR



JUNE - JULY

## AUTOMATIC GAS CLOTHES DRYER



NOVEMBER - DECEMBER

constant increase in the sale of A. G. A. campaign promotion materials.

Distribution of a master plan book to gas utilities and appliance manufacturers will be the first step in instituting the 1954 A. G. A.-recommended residential sales promotion program. This publication will set forth in detail all of the suggested 1954 campaigns, the themes to be used, the type of tie-in advertising to be run and any supporting facts. It will be distributed prior to the 1953 A. G. A. Annual Convention in October.

The second step will be the issuance of a series of three detail plan books, *Spring*, *Summer* and *Fall*. These will tell gas utilities and appliance manufacturers of the last minute details, promotional

ideas and materials, mats and premiums for each campaign to be started during the respective season. The plan books will be sent out at least three months in advance of the season they cover.

The stepped-up tempo of this information service is the result of information from the field that the six weeks advance notice allowed in 1953 has not been sufficient. To accomplish an earlier announcement of programs and details, meetings of planning committees were moved ahead. The result is a comprehensive 1954 promotional schedule that features a series of five two-month campaigns, each on two specific services.

In setting up the recommended 1954 promotion schedule, every effort was made to take into account the variance in

timing of promotions that geographic conditions and local policies dictate for each appliance. It is recognized that some companies may desire to start their local program earlier or later than the A. G. A. schedule recommends.

Very few gas utility companies run campaigns for the entire length of each recommended eight weeks period. All gas utility companies and gas appliance manufacturers are urged to start each campaign at some time during the recommended period, and to run it for the number of weeks necessary to get the best results. Attention is called to the fact that by so doing they can capitalize on the extensive A. G. A. consumer national advertising which will be synchronized with the majority of the campaigns.

## A. G. A. initiates new promotional service

### a PAR activity

The American Gas Association has initiated a new service designed to increase the effectiveness and value of the advertising and promotion programs being carried on under the gas industry's Promotion, Advertising and Research (PAR) Plan. Five promotion representatives have been appointed to call on member companies of the Association to all parts of the country. The gas utility PAR subscribers will get first hand information regarding the advertising and promotion activities originating at A. G. A. They will be urged to participate in the promotional programs and to use the materials devised at Association headquarters. Other major activities of A. G. A. will be explained for the benefit of company members.

J. Neal Hall, Jr., has been loaned to A. G. A. by the Lone Star Gas Company, Dallas, to contact companies in the southwestern states and the companies in Kansas and Colorado. Formerly a member of the advertising department, he has taken part in many major sales campaigns with Lone Star and has also played a leading role in many civic campaigns in his home city.

S. F. Wikstrom, Jr., came to A. G. A. from the Mississippi Valley Gas Co., Meridian. He had served as a retail salesman with Birmingham Gas Co., and later engaged in sales work with Alabama Gas Company. He transferred to the Mississippi Valley Gas Co. as general sales manager, in 1949. Mr. Wikstrom will cover the southern states as far west as Louisiana.

Stanley C. Gorman became acquainted with a large segment of the gas industry as sales promotion director for the Gas



Four new field representatives of American Gas Association visit Servel plant, Evansville, Indiana. Shown here with two Servel hosts, they are, left to right: S. F. Wikstrom, Jr., Neal Hall, Stanley Gorman and Charles Bowen, A. G. A.; Al E. Lee and Frank A. Mitchell of the Servel organization

Water Heater Division of Gas Appliance Manufacturers Association when he directed the Court of Flame campaigns. Prior to joining GAMA he was engaged in sales and promotional work with the Southern California Gas Co., Los Angeles. Mr. Gorman will serve as promotion representative for gas companies in the Middle West, as far west as the Rocky Mountains.

Royce A. Hoyle, Jr., is the most recent promotion representative to be appointed. He came to A. G. A. from the South Atlantic Gas Company, Savannah, where he had been serving as assistant division manager and manager of the distribution and service departments. He had previously served with the South Atlantic Gas Co. as treasurer, director of personnel, then as sales supervisor and sales manager. His sales career was interrupted by a second term

of military service with the U. S. Marine Corps in 1950 and 1951. Mr. Hoyle will contact member companies in the Appalachian and eastern states, with New York State and Michigan included in his territory.

Charles R. Bowen, recently appointed New Freedom Gas Kitchen manager of A. G. A., will also serve as promotion representative for the New England States. Before joining A. G. A., he was engaged in public relations and promotional work with Prudential Insurance Co., Newark, New Jersey.

Promotional contact work on the Pacific Coast will be carried on under the supervision of the Pacific Coast Gas Association in coordination with A. G. A. The PCGA already had initiated service of this nature and companies in that area will be well posted on all A. G. A. activities, promotional and otherwise.

## Babies to theme automatic gas clothes dryer drive

Fast-selling, prestige-building automatic gas clothes dryers will be promoted by the American Gas Association in a national campaign wrapped around babies—and directed at adults who once were babies.

"Baby yourself," the Association will tell the nation in a promotion and advertising campaign to be featured this summer and fall. The drive will emphasize modern gas dryer low-cost installation and operation and high-speed drying.

In addition to unshackling the housewife from the weather, the automatic clothes dryer has contributed to the domestic gas load by bringing another appliance into the home. This glamour product also has added to gas industry prestige.

Last year sales of modern gas clothes dryers rose beyond the half-million mark. According to a leading appliance company spokesman, 800,000 dryers will be sold this year. He further predicted that

gas dryer sales would be leading this field within two years. The number of manufacturers making A. G. A. approved gas dryers has increased from seven in January, 1951 to 14 at present.

National advertising will advance the campaign, with half-page insertions in five publications with about 15,000,000 combined circulation. These magazines are *The Ladies Home Journal*, *Better Homes and Gardens*, *Woman's Home Companion*, and *Today's Woman*.

Promotion materials include a portfolio, broadside, display kit, a "Big 10" booklet and sales manual. Several unusual promotion pieces also can be used in local sales activities by salesmen and dealers.

Tailor-made direct mail campaigns can be based on a set of four baby greeting cards specially designed by Constance Bannister. These well-known winsome photographs of babies may be utilized by salesmen addressing handwritten messages to prospective buyers and other follow-ups. Suggested messages are included in the portfolio. Cards and matching envelopes, with three lines of type imprinted inside the greeting card, cost \$56 for 1,000 sets—available only in sets of four. Orders and imprint information must be received by July 15 at: Edward Stern & Co., Inc., 6th & Cherry Streets, Philadelphia 6, Pennsylvania (Box E, Stern 17).

Among special suggested plans is a

hostess party, based on the "use the user" practice. Housewives who recently purchased automatic gas dryers will be encouraged to invite friends, neighbors and relatives to a dryer demonstration by a dealer, home service representative or salesman. Gifts will be given to housewife-sponsors and attendants. Free trials of dryers as "goodwill gestures" will be extended to parents of new babies.

The display kit will emphasize the baby idea. Promotion pieces include triangular diaper pennants and three-sided cardboard figures of babies sitting on dryers. "Baby yourself" will be repeated on see-through stickers to be affixed to windows. Price tags also are included. Also featured is a checklist of all possible usable elements for successful promotion.

Consumer and salesman publications round out published sales aids. "You'll Be in Clover 10 Times Over with a New Automatic Clothes Dryer" relates the

dryer story in eight succinct colorful pages which can serve as sales floor giveaways, direct mail pieces or in home calls. Ten promotion points comprise saving time—work—worry—clothes—space—health—ironing, as well as being dependable, completely automatic and economical. The booklets sell for \$4.50 a hundred, shipped postpaid.

Salesmen quickly can steep themselves in selling facts by consulting the "Gas Clothes Dryer Sales Maker." This popular handy pocket-size booklet briefly outlines sales appeals and methods helpful to dealers and salesmen in exploiting the great untapped market for the convenient modern gas dryer. The booklets cost 15¢ each, shipped prepaid.

Unless otherwise specified, all publications and art materials may be ordered from the Promotion Bureau, American Gas Association, 420 Lexington Avenue, New York 17, N. Y.

## A. G. A. summer campaign boosts automatic gas refrigerator

Newest of automatic gas appliances—the ice-maker refrigerator—will be promoted this summer by the American Gas Association.

The campaign will be based on the Servel gas refrigerator which has the automatic ice-maker that makes obsolete other refrigerators and their ice trays. Promotion components include the A. G. A.-Servel sales performance contest, a point-of-purchase display, and related literature.

At the summer peak of the refrigerator selling season, A. G. A. with the cooperation of Servel will sponsor the 1953 Gas Refrigerator Sales campaign. This annual competition seeks the best sales performance records among merchandising and non-merchandising member utility companies of all sizes.

Top performance awards will be made to utilities and sales managers for distinguishing themselves in selling and promoting Servel gas refrigerators. This

AIM (automatic ice-maker) drive will end on August 31, 1953. Retail salesmen can participate in their own merchandising campaign, called the Servel Proof of Superiority Program.

The campaign display features a set of eight crescent-shaped paper pieces of ice, in five inch and nine inch sizes, which can be applied to windows, refrigerators or other attention-compelling places. Each printed ice circle, which easily sticks to a clean surface, spells out part of this ice-maker message: NOW—GAS—brings you—the greatest—INVENTION—Since the—MECHANICAL—REFRIGERATOR.

Two helpful salesman and consumer booklets complete the A. G. A. group of published aids. Sales pointers briefly are outlined in the "Gas Refrigerator Sales Maker." This popular handy booklet presents facts and methods helpful to dealers in selling gas refrigerators. The booklets cost 15 cents each, for one to

nine copies, and 10 cents for 10 copies or more.

Another attractive publication, "10 Reasons Why You're 20 Years Ahead of the Times with a New Gas Refrigerator," has eight colorful pages of information which can be used as sales floor giveaways, in home calls, or as direct mail pieces. Promotion pointers here include long life design outside and short-change design inside; plenty of ice—plenty fast; special cold zones; more frozen food space, and a jet-freeze oval which symbolizes the silent, continuous, cold-making process by dependable gas. All this, plus longer life and complete warranty protection. Booklets cost 4½ cents each for one to 999 copies; 4¼ cents each for 1,000 to 9,999 copies, and four cents each for 10,000 copies or more.

Publications and display materials may be ordered from the Promotion Bureau, American Gas Association, 420 Lexington Avenue, New York 17, N. Y.

## Launch first integrated gas incinerator sales campaign

Sanitation and silence will sell automatic gas incinerators, through the first completely integrated campaign for this appliance sponsored by the American Gas Association during the summer.

Pacing the healthy growth of production, the number of gas incinerator man-

ufacturers has grown from six in January, 1951 to 19 this year. In turn, more gas utilities are advancing sales of incinerators for they build a steady, even gas load averaging 13 therms monthly throughout the year.

Typical of growing utility industry ac-

ceptance of the gas incinerator as a major domestic appliance and home load builder are advertisements by Southern California Gas and Southern Counties Gas Company. Among other sales points, these companies stress the modern incinerator's neat appearance, silent and auto-



matic operation, as well as its installation in kitchen, service porch, laundry, or out-of-doors. It was further noted that more than 500,000 homes are operating gas incinerators for about two cents to three cents a day.

All aspects of the Automatic Gas Incinerator Campaign are covered in a 12-piece display kit which includes two sets of three double pennants; a 10½ inch by 60 inch streamer; a 22 inch by 28 inch easeled poster in full color, and four jumbo price tags. The entire kit costs \$4.85.

Two attractive sales promotion booklets round out A. G. A. published sales aids. First, "10 Short Cuts to Quick Clean-Ups with an Automatic Gas Incinerator" presents the incinerator story in eight pages of full color illustrations

which can be used as sales floor giveaways, direct mail pieces or in home calls. Ten promotion pointers comprise cutting down on—steps—work—pests—disease, as well as cutting out odors—legal problems—"sore spots"—"double disposal"—and finally, cutting costs and dangers. The booklets cost \$4.50 a hundred, shipped postpaid.

Second printed promotion piece is the "Gas Incineration Sales Maker," now in its third printing. This popular handy pocket-sized booklet briefly outlines sales appeals and sales methods which have helped many dealers and salesmen in exploiting the great untapped market for convenient gas incinerators. The booklets sell for 15 cents each, shipped prepaid.

Rounding out the sales-aids-in-print is

a folder which illustrates a mat service on gas incineration. It presents art elements helpful in creating advertisements to encourage the widespread acceptance of gas incineration as a public service—before incinerators can be sold in volume. A variety of these art elements in many sizes can be combined into a series of six newspaper advertisements. Underlying this advertising is the theme, "Good-Bye Garbage Can." The full set of mats costs \$8.

In mid-July the American Gas Association plans to publish a case history book showing how local gas companies profitably have promoted automatic gas incinerators.

All publications and art materials may be ordered from the Promotion Bureau, American Gas Association, 420 Lexington Avenue, New York 17, N. Y.

## Convention entertainment committee appointed

Robert D. Lewis, Laclede Gas Co., St. Louis, has been appointed chairman of the Convention Entertainment Committee of the American Gas Association. This committee will be responsible for organizing and presenting a program of general entertainment at the 1953

A. G. A. Annual Convention in St. Louis, October 26, 27 and 28.

Other members of the committee are: Paul C. Ford, The Gas Service Co., Independence, Mo.; M. J. Harper, Rockwell Manufacturing Co., New York; Daniel E. Maloney, The East Ohio Gas

Co., Cleveland; Marc W. Pender, Magic Chef, Inc., St. Louis; William D. Sweetman, The Peoples Gas Light & Coke Co., Chicago; Wilbur T. Trueblood, Jr., Magic Chef, Inc., St. Louis; and Richard F. Mulligan, A. G. A., who will serve as secretary of the committee.

## Support your industry! Wear the blue flame!

A. G. A.'S BLUE FLAME awards and gifts give the individual utility employee a splendid opportunity to display pride in the gas industry. Lapel emblems for men and women, money clips, tie chains, cuff links, cigarette lighters, play-

ing cards, key chains, and gold pencils are all fashioned with the familiar industry sign.

Many utilities award the emblems on service anniversaries or other important occasions.

Further information about blue flame gifts and awards can be obtained from H. Vinton Potter, coordinator of promotion and advertising, American Gas Association, 420 Lexington Ave., New York.

## Ultra-modern features included in utility's new branch



Shiny appliances glimmer on sales floor of new branch of Battle Creek Gas Co., Urbandale, Michigan

THE BATTLE CREEK GAS CO. opened a new neighborhood branch office during May. The ultra-modern structure, located in Urbandale, is one of three branch offices planned by the Michigan utility.

The structure features drive-in services, so customers can pay their bills without leaving their cars. The driveways will be radiantly heated for snow and ice removal in winter, and the teller's cage is equipped with bullet-proof glass, electric sliding cash drawer and two-way loud speaker.

The new office also features an ample appliance display and sales floor and a striking, modern 20-foot gas flame pylon near the front door.

Local citizens celebrated the opening at a house party. The office opened for business on May 18, with Mrs. Margaret Wyatt in charge.

# General Management Section organized



Eskil I. Bjork

Activation of the General Management Section as provided by the new A. G. A. Constitution and authorized by the Board of Directors at its February 20, 1953 meeting, is now complete. Eskil I. Bjork, president, The Peoples Gas Light and Coke Co., Chicago, and Lovett C. Peters, financial vice-president, Laclede Gas Co., St. Louis, section chairman and vice-chairman, respectively, have expedited the details of forming this new section. Its Managing Committee has been appointed, a Nominating Committee has been elected and has acted upon nominations for its officers for the coming year. The section will have its first formal business meeting at the time of the 1953 Annual Convention in St. Louis, and a large attendance is expected. This will be a luncheon meeting, Tuesday, October 27.

## Active in A.G.A.

Mr. Bjork, president of the Chicago utility since the death of the former A. G. A. President George F. Mitchell in 1951, has served the industry for 33 years. Active in American Gas Association affairs, he served last year as chairman of the Committee to Review the Constitution and By-Laws, and now serves on the Laboratories Managing Committee.

Mr. Peters has been a vice-president of Laclede Gas Co. since 1950. He formerly was assistant treasurer of the Bankers Trust Co., New York. Also active in A. G. A., Mr. Peters serves this year as chairman of the General Management Section's Committee on Economics.

Consisting of many committees and individuals with general management interests, the section offers a splendid opportunity for members of the gas industry's upper levels of management to meet and discuss current problems and exchange information.

Mr. Bjork is serving as chairman of the Managing Committee of the General Management Section and Mr. Peters is vice-chairman.

The following have accepted appointment to the Managing Committee: R. G.

Barnett, Portland (Oregon) Gas & Coke Co.; A. M. Beebe, Rochester (N.Y.) Gas & Electric Corp.; Leslie A. Brandt, The Peoples Gas Light and Coke Co., Chicago; and Walter E. Caine, Texas Eastern Transmission Corp., Shreveport. Also to serve are I. M. Carpenter, Ebasco Services, Inc., New York; James W. Carpenter, Long Island Lighting Co., Mineola, N. Y.; John H. Carson, East Ohio Gas Co., Cleveland; R. D. Constable, Niagara Mohawk Power Corp., Syracuse, N. Y.; and B. P. Dahlstrom, Public Service Electric and Gas Co., Newark, New Jersey. In addition committee memberships have been accepted by W. R. Davis, Southern California Gas Co., Los Angeles; J. F. Fairman, Consolidated Edison Company of N. Y., Inc.

There will also be on the managing committee: John C. Flanagan, United Gas Corp., Houston; John R. Gardner, Central Hudson Gas & Electric Corp., Poughkeepsie; and H. W. Gee, Watauga Valley Gas Co., Johnson City, Tenn.; and Robert R. Gros, Pacific Gas & Electric Co., San Francisco, California. In addition, acceptance has been signified by A. S. Hancock, Long Island Lighting Co., Hicksville, N. Y.; Hall M. Henry, NEGEA Service Corp., Cambridge, Mass.; John E. Heyke, Jr., The Brooklyn (N. Y.) Union Gas Co.; and Clayton E. Holmes, Natural Gas Pipeline Company of America, Chicago. Among others who will be on the committee are H. W. Johnston, The Gas Service Co., Kansas City, Mo.; Roy E. Jones, Peoples Water & Gas Co., North Miami, Fla.; Willis M. Kimball, The Columbia Gas System, Inc., New York; Lloyd R. Leslie, Delaware Power & Light Co., Wilmington; and Howard B. Noyes, Washington (D. C.) Gas Light Company.

Managing committee memberships have also been accepted by Dale Parker, The Columbia Gas System, Inc., New York; James S. Phillips, United Fuel Gas Co., Charleston, W. Va.; Fred R. Rauch, Cincinnati Gas & Elec. Co.; P. J. Rempe, Stone & Webster, Inc., New York; and Larry Shomaker, Northern Natural Gas Co., Omaha, Nebraska. Rounding out the committee roster are: Frank W. Thompson, Michigan Consolidated Gas Co., Detroit, Mich.; W. B. Tippy, Commonwealth Services, Inc.,

New York; and Thomas P. Walker, Transcontinental Gas Pipe Line Corp., Houston, Tex. Bruce A. McCandless, American Gas Association, New York, N. Y., will be secretary.

The Nominating Committee membership is as follows: Leslie A. Brandt, chairman, The Peoples Gas Light & Coke Co., Chicago; W. R. Davis, Southern California Gas Co., Los Angeles; H. W. Gee, Watauga Valley Gas Co., Johnson City, Tenn.; Hall M. Henry, NEGEA Service Corp., Cambridge, Mass.; John E. Heyke, Jr., The Brooklyn (N. Y.) Union Gas Co.; Howard B. Noyes, Washington (D. C.) Gas Light Co.; Frank W. Thompson, Michigan Consolidated Gas Co., Detroit, Mich.

## Twelve committees

At present, twelve committees make up the General Management Section. They are: Accident Prevention Committee, Committee on Comparison of Competitive Services, Corporate Secretaries Committee, Committee on Economics, Advisory Committee on Gas Home Study Courses of I.G.T., Insurance Committee, Natural Gas Supplymen's Fund Committee, Personnel Committee, Public Information Committee, Rate Committee, Managing Committee and Nominating Committee.

The section is expected to fulfill a real service to the Association and the gas industry, within its scope of activities. It is not intended that the section will either replace or duplicate activities or functions of other sections of the Association, but only that it will direct its attention to any areas not now served, wherein it may be of value to the industry.

## Finishes course

ANOTHER YOUNG MAN has completed the American Gas Practice Course. The course, conducted by Professor Jerome J. Morgan under the auspices of the American Gas Association, is divided into two parts. Part I deals with production of manufactured gas, while Part II is concerned with distribution and utilization.

The newest graduate of Parts I and II is Mark G. Hoepfner. Mr. Hoepfner was granted a B.S. in mechanical engineering from Cornell University in 1950. He is employed as a cadet engineer with Public Service Electric & Gas Co., Newark, New Jersey.

# Industry news

## Hard-hitting sales plans mark record GAMA annual meeting

**NEW OFFICERS OF THE GAS APPLIANCE Manufacturers Association**, headed by Sheldon Coleman of Wichita, were elected at the group's 18th annual meeting at the Greenbrier Hotel in White Sulphur Springs, West Virginia. The three-day meeting took place from May 20 through 22.

Mr. Coleman, president of The Coleman Co., Inc., succeeds James F. Donnelly, vice-president in charge of sales, Servel, Inc., Evansville, Ind.; as president of the manufacturers' association. Mr. Coleman and all other new GAMA division and group officers will assume their duties next October 28 at a board of directors meeting.

Other GAMA officers elected by the more than 400 delegates—a record attendance—include: T. T. Arden, executive vice-president, Grayson Controls Div., Robertshaw-Fulton Controls Co., Lynwood, Calif., first vice-president; W. F. Rockwell, Jr., president of Rockwell Manufacturing Co., Pittsburgh, and chairman of the board, Acro Manufacturing Co., Columbus, Ohio, second vice-president; Lyle C. Harvey, president and general manager, Affiliated Gas Equipment, Inc., Cleveland, re-elected treasurer.

Also elected were division and group officers. The chairmen, who automatically become members of the board of directors, are: W. T. Trueblood, Jr., Magic Chef, Inc., St.

Louis, domestic gas range division; Harold C. Day, American Radiator and Standard Sanitary Corp., Pittsburgh, gas house heating and air conditioning equipment division; H. B. Carbon, Bastian-Morley Co., Inc., LaPorte, Ind., gas water heater division; John Christensen, Hamilton Manufacturing Co., Two Rivers, Wis., gas clothes dryer division; Gilbert T. Bowman, Nordstrom Valve division, Rockwell Manufacturing Co., Pittsburgh, gas meter and regulator division; Robert D. Smith, Incinerator Products Co., Detroit, gas incinerator division; D. E. DuPerow, Lincoln Brass Works, Inc., Detroit, gas valve division.

Also elected are: Frank H. Post, American Thermometer Div., Robertshaw Fulton Controls Co., St. Louis, automatic controls division; Thomas D. Bromley, Peerless Manufacturing Corp., Inc., Louisville, gas heating division; George B. Horne, Watts Regulator Co., Lawrence, Mass., relief valve division; F. C. Schaefer, American Gas Furnace Co., Elizabeth, N. J., industrial gas equipment division; Wendell M. Smock, Vulcan-Hart Manufacturing Co., Louisville, hotel, restaurant and commercial gas equipment division; Frank J. Kern, Jr., Detroit Regulator Co., Detroit, gas appliance regulator division.

Group chairmen include: N. E. Westphal, Weil-McLain Co., Michigan City, Ind., gas boiler group; Herbert G. Hayes, Armstrong Furnace Co., Columbus, Ohio, gas furnace group; and F. Donald Hart, Temco, Inc., Nashville, gas floor furnace group. Also: A. J. Horn, Day and Night Div., Affiliated Gas Equipment, Inc., Monrovia, Calif., vented recessed heater group; D. R. Webster, Reznor Manufacturing Co., Mercer, Pa., unit heater group; and Harry Gurney, Surface Combustion Corp., Toledo, gas conversion burner group.

A highlight of the three-day meeting was the traditional president's dinner, during which 19 industry leaders were honored with merit awards. James F. Donnelly, retiring president, presented the awards for "outstanding service to the gas industry." Heading the list was Louis Ruthenburg, chairman of the board, Servel Inc., who was cited for his "quality of leadership and ability as president of GAMA from 1951 to 1952."

Others who received the merit award were E. Carl Sorby, Geo. D. Roper Corp., Rockford, Ill.; J. P. Hutchinson, National Steel Construction Co., Inc., Logansport, Ind.; H. B. Carbon, Bastian-Morley Co., Inc., LaPorte, Ind.; Clarence Coleman, The Coleman Co., Inc., Wichita; F. A. Kaiser, Detroit-Michigan Stove Co.; Lee W. Rasch, Rasch Manufacturing Co., Kansas City; W. E. Davis, Roberts-Gordon Appliance Corp., Buffalo, N. Y.; Gordon Rieley, Lennox Furnace Co., Columbus, Ohio; A. M. Buxton, Cooper Bessemer Corp., Mt. Vernon, Ohio; Harry E. Thompson, Ohio Foundry & Manufacturing Co., Steubenville, Ohio.

Also honored were: R. B. Myers, Lovell Manufacturing Co., Erie, Pa.; Julius Klein, Caloric Stove Corp., Philadelphia; William A. Raub, E. F. Griffiths Co., Philadelphia; Paul F. Neess, Perfex Corp., Milwaukee; Frank J. Nunlist, L. J. Mueller Furnace Co., Milwaukee; Charles Mayer, The Tappan Stove Co., Mansfield, Ohio; J. G. Dierkes, Bowser, Inc., Cairo, Ill. and L. T. Tegler, A. O. Smith Corp., Kankakee, Illinois.

In his president's address, Mr. Donnelly outlined the blueprint for action to achieve the aims of the recently announced Gas Industry Development Program. Mr. Donnelly reviewed the work of the joint GAMA-A. G. A. committees to set up the program now being submitted to appliance manufacturers and gas utility companies. He described the program, which covers a variety of subjects including market potentials, sales training, sales promotion, financing facilities, product development, appliance service, installation and safety. He pointed out that leaders in the industry have put their stamp of approval on the program. "No manufacturer," he added, "can afford to do less."

In his address, Frank C. Smith, president of American Gas Association and of the Houston Natural Gas Corp., stressed the interdependence of the gas appliance and gas utility industries. Mr. Smith said that 11 regional meetings of top-level utility executives have been the means of bringing the development program to the attention of all managements. Mr. Smith urged widespread participation by manufacturers in industrywide promotion cam-



Sheldon Coleman, left, president-elect, and T. T. Arden vice-president-elect, flank Gas Appliance Manufacturers Ass'n. President James F. Donnelly as he calls the board of directors to order at White Sulphur Springs



Gas industry leaders W. F. Rockwell, Jr., newly elected GAMA second vice-president, J. F. Donnelly, GAMA president, and F. C. Smith, A. G. A. president, chat with Senator W. F. Bennett at the GAMA annual meeting



paigns, emphasizing the importance of advertising and promotion of individual products and product features.

Lyle C. Harvey, president, Affiliated Gas Equipment, Inc., said that gas appliance manufacturers should concentrate on selling quality to combat cut-price promotion. He also urged wholehearted backing of the industry development program, and deplored the fact that too many manufacturers blame utilities for all their troubles. He stated that a selling program should be based on quality, service and fair price, with a sufficient profit for adequate promotion and selling.

A. F. Smith, manager of market research department, A. O. Smith Corp., and vice-chairman of the GAMA general marketing committee, said that scientific market analysis can help manufacturers improve sales performance, sell products and cut expenses.

H. Leigh Whitelaw, managing director of GAMA, then pointed out that the success of operations based on uniform trading area statistics is a matter of statistical record. Mr. Whitelaw went on to explain that competitive industries have been able to pinpoint their distribution by using such figures. He urged

all manufacturers to adopt the uniform trading area system of reporting sales so that all may benefit from the GAMA program which supplies participants with industry sales figures on an area basis to provide basic information to establish market potentials and sales quotas.

Mr. Whitelaw said that universal adoption of the trading area report program would be an important complement to the work of the Gas Industry Development Program.

H. Carl Wolf, managing director of the American Gas Association, reported on the spectacular rise in the number of products submitted for approval to the A. G. A. Laboratories in Cleveland. He said requests for central heating appliances rose 62 percent in the first 16 weeks of 1953 over the same period in 1952, while water heater tests increased 110 percent in the past year. This has created a personnel and space shortage problem.

Mr. Wolf described measures which are being considered to lick the problem, and urged the formation of a GAMA committee, representative of its major divisions, to study the laboratory situation and make recommendations for its improvement.

Other important speakers on the GAMA

program were Senator Wallace F. Bennett (R-Utah) and Colonel W. F. Rockwell, assistant to the Secretary of Defense in matters of production and logistics. Senator Wallace presented a challenge to American businessmen to help speed the restoration of a sound economic policy and a minimum of government interference.

Colonel Rockwell minimized Soviet aggression potentials, and opined that the United States can now concentrate on its defenses.

## Won't sponsor exhibition

THE BOARD OF DIRECTORS of the Gas Appliance Manufacturers Association, at the annual meeting in White Sulphur Springs, W. Va., voted that GAMA would not sponsor its traditional exhibition in Atlantic City, or at any other location, in connection with the 1954 convention of the American Gas Association. Action on the question was final at the time although it was recognized that the Board could, if it wished, reconsider the matter at its October, 1953, St. Louis meeting.

## Public Service celebrates 50th birthday anniversary

PUBLIC SERVICE Electric and Gas Co., Newark, is marking its 50th year of service to New Jersey. Gas, transportation and electric utilities throughout the state celebrated the official anniversary on June 1.

Today, Public Service operating companies serve 226 municipalities with gas and 223 municipalities with electricity. Others furnish local transportation service in 365 New Jersey towns, and operate several interstate bus lines in New York and Philadelphia.

The growth of the utility business during the years has been tremendous. The output of gas in 1952 was 12 times what it was in 1904, and the capacity of Public Service gas plants has increased from 22,932,000 cubic feet per day in 1903 to 476 million cubic feet per day in 1952. The capacity of the

electric generating system in 1903 was 54,498 kilowatts, and is today 1,765,300 kilowatts.

Public Service represents the merging of many smaller companies throughout the half-century. Originally, when the Public Service Corp. of New Jersey began business in 1903, it provided gas and electric service. It leased or otherwise controlled gas and electric properties and provided for additions and betterments through sale of corporation securities. The operation of street railways was continued for some time by those properties which had operated them before the corporation was organized.

Public Service Railway Co., a consolidation of the larger street railways, Public Service Gas Co. and Public Service Electric Co. were formed within the next few years. In

1924, the Public Service Electric and Gas Co. was formed. This represented the merger of the gas company, the electric company, the transportation company and the United Electric Co. of New Jersey.

The Public Service Corp. of New Jersey was dissolved in 1948, and its assets absorbed and liabilities assumed by Public Service Electric and Gas Company.

Three presidents have served at the helm of the holding company through the years. Thomas N. McCarter, Sr. served from 1903 until 1939, when he became chairman of the board of directors. He retired in 1945. Edmund Wakelee succeeded Mr. McCarter as president in 1939 and held the office until his death in 1945. Today, George H. Blake is chief executive of the company.

## First Canadian all-natural gas show draws heavy attendance

THE FIRST Canadian all-natural gas equipment and appliance show was held on June 4, 5 and 6 in Saskatoon, Saskatchewan. The display filled the entire surface of the town's Arena Rink, and during the three days attracted over 30,000 visitors.

The result of several weeks' feverish activity, the show was organized by H. B. Blaine, advertising supervisor, Saskatchewan Power Corp., who acted as show manager during the three days. Appliance dealers and distributors contributed time to serve on the committee, and 25 manufacturers and distributors representing almost 80 equipment firms, had display space in the show. Much of the equipment was "live," fed by bottled gas.

The show thus provided visitors with an opportunity to examine, test and price all kinds of natural gas equipment. In addition, they could obtain complete, reliable information regarding gas installations and other facets of natural gas in Saskatoon.

The Power Corp. sponsored one of the 28 promotion booths. The booth, topped by two whirling blue ply-wood flames, featured a large relief map of Saskatoon's distribution system. The six- by five-foot map was created by the utility's commercial artist George Balbar. In addition, a mock television set showed movies of natural gas production.

A heavy local advertising program in newspapers and over radio promoted the show. Printed posters were displayed on trucks and cars of various firms interested in natural gas equipment sales.

As part of the promotion effort, the natural gas show planners took advantage of a tie-in, used in 1952 by American Gas Association, with the movie, "Lovely to Look At" starring Kathryn Grayson. A local theater rebooked the show to appear at the same time as the gas exhibit. Some of the ads promoting the exhibit used Kathryn Grayson's picture, with references to the movie. A display of gas

equipment, set up in modified scale in the theater lobby, was another reminder that the exhibit was going on in the town's arena.

Two major appliances and a number of door prizes were given away, adding further interest. A Servel gas Ice-Maker refrigerator and a Red-D automatic gas water heater were donated by local dealers, while the utility and other business organizations contributed a number of smaller door prizes which were awarded each day.

Literature, covering various types of natural gas appliances and equipment was distributed during the show. The Saskatchewan Power Corp. issued a special booklet answering many of the questions concerning installation of natural gas in Saskatoon. Dealers and contractors who did not have display booths sponsored a booklet entitled "Natural Gas Comes to Saskatoon," which contained photographs of natural gas activities, a brief history of the fuel and what it will mean to the city.

## Canadians stress value of building customer favor

**C**USTOMER RELATIONS was the theme of the 1953 annual convention of the Natural Gas and Petroleum Association of Canada, May 28-29. Speaker after speaker stressed the various phases of gas utility operation and the necessity of maintaining and improving the goodwill of consumers.

S. B. Severson, president, opened the convention, held in London, Ont., by declaring that no industry has as great an opportunity as the gas industry to improve human relations.

"Our industry," he said, "depends upon the profitable sale of a product that will make living better for all our customers; but in so doing we must follow through from its source to perfect utilization. In order to do this big job we must have the goodwill and cooperation from the beginning to the end of our endeavor."

The necessity of believing and then doing the best possible job of selling the gas industry to the public was urged upon delegates by Ira Rapson, assistant sales manager, Michigan Consolidated Gas Co., Detroit. Mr.

Rapson stressed the economic advantages of gas and its appliances and reported on the situation in Detroit. He stated that builders of new homes are almost 100 percent in favor of gas heating. On the resale market in Detroit, a gas-heated home costs \$1,000 more than one heated with oil or coal, he said.

"Public Relations—No Longer the Poor Relations," was the subject of a talk by Remick McDowell, vice-president and secretary, The Peoples Gas Light and Coke Co., Chicago. Public relations, said Mr. McDowell, is a function that has grown in significance in his company from "an activity barely tolerated to the stature of occupying much of the time of the company's chief executive."

"In this complex age," he went on "when many voices are clamoring to be heard, some of which are unfriendly, it is highly essential that we raise our voice and make sure that the public understands as fully as possible that the job of distributing gas is being done well." Mr. McDowell said that the growth and survival of the industry are dependent on sound public relations.

The subjects of customer relations, accounting and operating problems were discussed by a panel of speakers. Mr. Severson was chairman of the panel, and other members were: F. R. Palin, Union Gas Co., Chatham; W. R. Ward and K. J. Burnett, United Gas and Fuel Co., Hamilton; Don Thorburn, Gas Machinery Co., Hamilton; and T. R. B. Watson, Corrosion Services, Ltd., Toronto.

The convention re-elected for another term the officers and directors. They are: S. B. Severson, Buffalo, president; T. Weir, Chatham, first vice-president; L. B. Mehlenbacher, Cayuga, second vice-president; J. Ostler, Hamilton, treasurer; S. C. Hanna, Hamilton, secretary and assistant treasurer; G. H. Smith, past-president. C. N. Glenny, Fort Erie, L. G. O'Connor and S. A. Morse, Chatham, J. Moffat, Owen Sound, and G. Stammers, Brantford, are the directors of the association.

The convention was highlighted by its annual golf tournament, a tour through the London plant of General Steel Wares, and the annual banquet. The 1954 convention will be held in Windsor on May 27-28.

## Roper holds open house for employees and public

**E**MPLOYEES of the Geo. D. Roper Corp., Rockford, Ill., manufacturer of gas ranges, rotary pumps and Army Ordnance shells were the principal guests of honor with their families at a large-scale open house on May 17. An invitation to attend was also extended to the public. Almost 12,000 visitors toured the departments of the plant during the open house hours from one o'clock to five.

The reception committee included Stanley H. Hobson, president; J. H. Makemson, vice-president and treasurer; E. C. Sorby, vice-president; L. R. Jensen, vice-president; J. P. Curtin, secretary; W. F. Hinz, assistant secretary; C. R. Oehler, assistant treasurer and others.

A busy battery of company-manufactured gas ranges turned out thousands of cookies

for the visitors touring the plant. The cookies were prepared in an area set aside in the stove division of the plant and guests received them piping hot from the ovens. The project was handled by a group of volunteer cookie bakers, all women employees of Roper, who worked out a mass production technique under the supervision of the company's home economics director, Ione Lankelma.

A new 30-inch Roper "Space Master" gas range—newest of the Roper line—was given away during the open house, and there were souvenirs, either baseball caps or balloons, for the children.

Special provisions were made for the older folks and for the very young. One room was set aside for sitting and visiting

with friends. Another room was converted into a nursery, with a group of volunteer Roper employees to supervise games. Two nurses were on duty in the plant all during the affair. Refreshments were served to all at the close of the tour.

As a special feature of the tour, which had been authorized by the Chicago Ordnance District, the specially-prepared "Marines' Salute to Roper" was played. The salute is a spirited 15-minute tape recording, made chiefly on the battlefields of Korea, which demonstrates the uses of the 105-mm. white phosphorous shell produced at the Roper ordnance plant. The 105-mm. shell assists air and land forces in pinpointing the locations of the enemy. The plant will produce its 2,000,000th shell soon.



Over fifty thousand cookies were baked on Roper ranges by volunteer women employees and served to visitors during tour of stove department



The 105-mm shell manufactured by the company and used by Marines in Korea was displayed at Geo. D. Roper Corp. open house for employees

## McCarter honors awarded for back-pressure life saving

THREE EMPLOYEES of the Boston (Mass.) Consolidated Gas Co., have merited the unique distinction of being the first employees of a gas utility in the United States or Canada to win the McCarter Medal and Certificates of Assistance for saving a life by using the back-pressure, arm-lift method of resuscitation.

The American Gas Association presented the McCarter Medal to Robert J. Quinn on May 25. At the same time Certificates of Assistance were awarded to Philip Kearney and John S. Russell.

These men won the honor by their efforts in saving the life of a woman on May 15, 1952, at her home in Dorchester, Massachusetts. The presentation was made on behalf of A. G. A. by E. H. Eacker, president, Boston Consolidated Gas Co., vice-president of A. G. A. and chairman of the Association's Executive Safety Committee.

The McCarter Medal was made available through the generosity of Thomas N. McCarter, former chairman and president, Public Service Electric & Gas Co., Newark, New Jersey. It is given for successful resuscitations from asphyxiation by gas.



E. H. Eacker, president, Boston Consolidated Gas Co., vice-president of American Gas Association and chairman of its Executive Safety Committee congratulates Boston Consolidated employee Robert J. Quinn on winning McCarter Medal for lifesaving with new back-pressure, arm-lift resuscitation method. Certificate of assistance winners are John S. Russell (left), and Philip Kearney, of the same company

## Permaglas Division stages vigorous water heater drive

THE PERMAGLAS-Heating Division of the A. O. Smith Corp. is carrying on the most intensive water heater dealer sales promotion campaign in its history.

Employing all types of sales promotion, and hitting every principal city, A. O. Smith

will reach more than 14,000 dealers who handle water and house heating equipment. The dealers will be exposed also to a complete sales promotion presentation, including a 65-minute sound color film.

The program, developed under the direction of S. E. Wolkenheim, general sales manager

of the division, is called "Get Set to Sell." It will provide dealers with a complete new and unique set of sales promotion tools and merchandising aids ranging from window displays to national advertising in leading trade and general magazines.

## Gas utilities chalk up records for safe operations

OUT OF THE 209 companies competing in the public utilities section of the 1952 safety contest conducted by the National Safety Council, 18 finished up with perfect records. In 1951, out of 200 competing companies, 16 had perfect records.

Contestants in the three divisions—gas, electric, and combination—worked a total of 627,811,000 manhours, a three percent increase over the 1951 figures. Injuries during the period totaled 5,354, a four percent decrease compared with the previous year and a seven percent decrease in the final rate compared with 1951. The table shows a comparison of the December-November frequency rate and the January-December rates for the two years.

Winner in the gas division's Group A with a 1.03 12-month rate of lost manhours was the Columbus (Ohio) Group of the Columbia Gas System Inc. Following in second and third place in Group A were East Ohio Gas Co., Cleveland, with a rating of 1.69 and Hope Natural Gas Co., Clarksburg, W. Va., with 2.11.

Group B winners were Michigan-Wisconsin Pipe Line Co., Detroit, 2.88, first; Atlanta (Ga.) Gas Light Co., 2.90, second; and Equitable Gas Co., Pittsburgh, third with 3.75. In Group C United Gas, Louisiana-Mississippi District, placed first with a rating of 6.33; Malden-Melrose Gas Co., Malden,

Mass., was second with 8.75, and Seattle (Wash.) Gas Co. was third with 10.25.

Five Group D companies ended up with no lost manhours due to accidents. They are the Water & Gas Dept. of Duluth, Minn., Salem (Mass.) Gas Light Co., Lynchburg (Va.) Gas Co., Northampton (Mass.) Gas Light Co., and the Wachusett Gas Co., Leominster, Mass.

Combination gas-electric division winners: Group A: Florida Power & Light Co., Miami, 2.65; Cincinnati Gas & Electric, 3.18; Consolidated Gas Electric Light & Power Co., Baltimore, 3.66.

Group B: Central Illinois Light Co., Peoria, 1.05; Wisconsin Public Service, Milwaukee, 1.08; Wisconsin Power & Light Co., Madison, 1.66.

Group C: Wisconsin Michigan Power Co., Appleton, Wis., 3.94; Central Vermont Public Service, Rutland, 7.70; Interstate Power Co., Dubuque, Iowa, 8.11.

Three companies in Group D also ended the period with perfect records. They are: Lake Superior District Power, Ashland, Wis.; Fitchburg (Mass.) Gas & Electric Light; and North Berkshire Gas Co., North Adams, Massachusetts.

Honorable mention certificates were awarded companies having the greatest continuous manhour exposure without a disabling injury during the period of the contest. Combination gas and electric winners in this category include: Group A, Virginia Electric & Power Co., Richmond, 1,088,608 injury-free manhours; Group B, Wisconsin Power & Light Co., Madison, 1,461,345; Group C, Interstate Power Co., Dubuque, 518,100; Group D, Green Mountain Power Corp., Montpelier, Vt., 664,544. Gas division winners: Group A, East Ohio Gas Co., 1,280,989; Group B, Equitable Gas Co., 637,754; Group C, Kentucky West Virginia Gas Co., 286,122; Group D, Consumers Gas Co., Reading, Pa., 116,434.

### Summary of contest experience

Divisions	Dec. Freq. Rate	% Change from Nov.	Jan.-Dec. Freq. Rate	% Change Jan.-Dec. 1951
All Divisions	7.32	+21%	8.53	-7%
Combination Gas and Electric	7.19	+11%	7.79	+1%
Gas	9.08	+115%	10.77	-16%
Electric	6.73	+8%	8.24	-9%



## Gas Service Co. independent of parent, Cities Service

**C**ONTROL OF THE GAS Service Co., Kansas City, Mo., will soon pass out of the hands of its parent organization, the Cities Service Co. of New York, when newly created Gas Service common stock is offered at public bidding by Cities Service.

The Gas Service Co.'s board of directors has authorized officials to apply to state regulatory commissions for approval of a proposed amendment to the charter, permitting an increase in the common stock issued from 850,000 shares to 1.5 million shares.

Because of the change, there were several shifts in top management jobs. B. C. Adams was re-elected president and general manager, while the following officers were elected: R. M. Power, former first vice-president, is

now executive vice-president; I. W. McKee, secretary treasurer, is now vice-president and treasurer; T. B. O'Connor, assistant secretary is secretary; R. H. Barker, assistant treasurer, is assistant secretary and assistant treasurer; A. F. Anderson, Gas Advisers, Inc., New York, is also assistant secretary and assistant treasurer.

T. J. Strickler, manager of the Kansas City, Mo., division, and C. H. Waring, manager of the Kansas City, Kansas division, resigned from their positions. Both will continue in managerial capacities.

The number of board members was reduced from 21 to 15, and control passed from persons directly connected with The Gas Service Company. The new board includes nine per-

sons outside the company and six within the organization. They are: F. C. Allvine; W. J. Breidenthal; Harry Darby; J. H. DeCoursey; T. L. Evans; J. M. Kemper; Arthur W. Kincaide; Charles H. Mayer; E. W. Stilwell, all representing local Kansas and Missouri business and financial organizations. Also serving on the board are utility officers: B. C. Adams; I. W. McKee; R. M. Power, T. J. Strickler, C. H. Waring, and W. R. Phipps, manager of the Wichita division.

B. C. Adams points out that The Gas Service Co. is not being "sold" but rather, its ownership is being transferred from one owner to many. He stated further that there should be no changes in Gas Service management or personnel.

## Gas sales and revenues rise in first quarter

**T**OTAL REVENUES of gas utilities from sales of gas to ultimate consumers (not including sales to other utilities for resale) for the first quarter of 1953 were \$903 million, a gain of 10.3 percent over revenues of \$819 million in the comparable quarter of 1952. For the 12 months ended March 31, 1953, revenues from sales to consumers totaled \$2,330 million, a rise of 10.4 percent over \$2,293 million in the previous 12-month period. Industrial gas revenues rose 15.5 percent during the 12-month period, while residential revenues gained 8.4 percent.

The total revenues of gas utility and pipeline companies, including revenues from sales for resale, during the 12 months ended March 31, 1953, increased to \$3,640 million from \$3,130 million in the like period of a year earlier, an increase of 16.3 percent. Net operating revenues increased from \$420 million to \$500 million, a gain of 19.0 percent. Net income was \$370 million in the cumulative 12-month period, an advance of 12.1 percent

over net income of \$330 million a year earlier.

Sales of gas in the first quarter of 1953 amounted to 17,344 million therms, an increase of 7.7 percent over 16,109 million therms sold in the like quarter of 1952. For the 12 months ended March 31, 1953, sales of gas aggregated 53,855 million therms, an advance of 8.6 percent over 49,577 million therms in the comparable period a year earlier.

On March 31, 1953, a total of 26.2 million customers of all classes were receiving utility gas, an increase of about 3.6 percent over 25.3 million customers served a year earlier. Of this total, there were 24.2 million residential customers on March 31, 1953, a gain of 3.5 percent or 815,000 domestic customers in the 12-month period.

Revenues from the sale of natural gas to ultimate customers during the first quarter of 1953 were \$256 million, an increase of 15.9 percent over \$652 million a year earlier. For the 12 months ended March 31, 1953, natural gas revenues were \$2,065 million, or 17.1 per-

cent above revenues of \$1,763 million in the previous 12-month period.

Sales of natural gas in the first quarter of 1953 were 16,249 million therms, up 8.7 percent over 14,946 million therms sold in the like 1952 quarter. For the 12 months ended March 31, 1953, natural gas sales totaled 50,597 million therms, a gain of 9.6 percent over sales of 46,152 million therms in the previous 12 months.

Customers served with natural gas on March 31, 1953, aggregated 19.7 million, and represented 75.0 percent of total gas industry customers. A year earlier there were 17.4 million natural gas customers, representing 68.6 percent of total customers of the industry.

Sales of manufactured and mixed gas declined 5.8 percent during the first quarter of 1953, while revenues in this classification were down 11.8 percent. These declines are attributed to conversions from manufactured and mixed gas to natural gas distribution in several areas.

## Europeans visit American Gas industry



Representatives of Western European utilities visit Texas Eastern Transmission Corp. under auspices of Mutual Security Agency (see June Monthly, p. 18). Standing, l. to r.: S. A. Robertson, project manager, MSA; Tevik Fikret Suer, Ankara, Turkey; Arrigo Bohm, Torino, Italy; Goffredo Bellini, Milano, Italy; Louis H. P. Deny, Paris; R. H. Hargrove, president of Texas Eastern, Shreveport; Sante Tibaldi, Milano; Henri J. F. Descazeaux; Roger A. A. Odier, both of Paris

## Promote LP-gas rural load

**T**HE COMFORT, CONVENIENCE and dependability of liquefied petroleum gas is being brought to the attention of rural America. During August, September and October, the LP-gas Information Service's 10th advertising campaign will appear in the country's leading national, sectional, state and trade magazines. An estimated 112,500,000 readers will be reached in 50 national and regional magazines.

Spotlighted in the campaign will be LP-gas heating, while secondary emphasis will be given to LP-gas cooking. The insertions will range from half pages in black and white to full pages in two colors.

The LP-gas project, which embraces advertising, publicity, employee training and promotional activities, carries the triple sponsorship of the Gas Appliance Manufacturers Association, Liquefied Petroleum Gas Association and Natural Gasoline Association of America. It is financed by voluntary contributions from companies in the LP-gas industry.

## Cabinet manufacturers hold first meeting

THE STEEL KITCHEN Cabinet Manufacturers Association held its first annual meeting at the Greenbrier, White Sulphur Springs, W. Va., June 4-6. The meeting was attended by 45 representatives of organizations manufacturing steel kitchen cabinets.

The association was organized by 19 companies in December, 1951 and has grown at

the present time to a total of 21, representing well over 90 percent of the companies in this industry.

Officers for the coming year are: president, M. M. Miller, Miller Metal Products, Inc.; and vice-president, F. E. O'Connor, Geneva Modern Kitchens, Inc. Directors of the organization are: C. D. Alderman, Youngstown

Kitchens; Davitt S. Bell, Tracy Manufacturing Co.; T. W. Hardy, Murray Corp.; C. Fred Hastings, American Kitchens; R. A. MacNeille, St. Charles Manufacturing Co.; C. S. Motter, Morton Manufacturing Company. Arthur J. Tuscany, Jr., was re-elected assistant executive secretary-treasurer.

## Appalachian measurement short course set for August

THE 13TH ANNUAL Appalachian Gas Measurement Short Course will be conducted from August 24 to 26, inclusive, at the West Virginia University School of Mines, Morgantown. C. H. Whitwell, Equitable Gas Co., is general chairman for the session. C. G. Moorhead of the Hope Natural Gas Co. is

program chairman and R. E. Hanna, Jr., West Va. University School of Mines, is secretary.

The course consists of about 90 class sessions, each one hour in length, on all phases of gas metering, regulation and associated subjects. The classes are conducted by leading men in the equipment manufacturing, gas industry

and academic fields. In addition to the classroom sessions, 31 companies will display their equipment in the exhibit laboratory.

Attendance at last year's Appalachian Gas Measurement Short Course was about five-hundred and fifty and an equally excellent turnout is expected for the coming session.

## Mid-Southeastern Gas Association announces dates

THE ANNUAL MEETING of the Mid-Southeastern Gas Association will be held at the Sir Walter Hotel, Raleigh, N. C., on November 18-20. Officers, directors and com-

mittees will meet at Ocean Forest Hotel, Myrtle Beach, S. C., on August 7.

At a recent meeting of the officers, directors and committees, it was proposed that the

name of the association be changed to South-eastern Gas Association. It is felt that the changed name would more aptly describe the group.

## LP-gas prospect list ready for program members

A NEW SERVICE to the liquefied petroleum gas industry, an LP-gas prospect list, has just been inaugurated by the National Committee for LP-gas Promotion. The first issue is being mailed this week to all members of the National LP-gas Promotional Program.

The 24-page mimeographed list of prospects for LP-gas, LP-gas appliances and equipment was gleaned from recent "leads" developed by the LP-gas Information Service through program advertising and publicity. Persons whose names and addresses are included either sent in 10 cents for a copy of the consumer booklet, "Better Living . . . With

LP-gas," or wrote in for specific information on LP-gas uses or installations.

A supplementary feature of the list is an advance report on contemplated motel and tourist court construction and modernization projects. Included in this section are proposed new tourist courts and motels, additions to present facilities and major renovations.

Divided by state and town for easy reference, the new service will be restricted to contributing members of the program.

Leo J. Wilmeth, The Shamrock Oil & Gas Corp., Amarillo, headed a special subcommittee which worked out plans for the new service.

The 28-page, three-color consumer booklet "Better Living . . . With LP-gas," is offered to the public through the national promotion. It is available to industry companies in bulk quantities for imprinting and local distribution at prices ranging from 6.4 to 10 cents per copy, depending on the number purchased and whether the buyer is a program contributor. Members are granted a 20 percent discount. Complete price, delivery information and a sample copy may be obtained from the National Committee for LP-gas Promotion, 11 South LaSalle St., Chicago.

## A. G. A. announces new publications

LISTED HERE ARE publications released during May and June, up to closing time of this issue of the MONTHLY. Information in parentheses indicates audiences for which each publication is aimed.

### PAR

● **Par Briefs—First Four Months, 1953** (for all gas industry executives). Prepared by the PAR Committee, and available free from A.G.A. Headquarters, New York.

### RESEARCH

● **The Corrosion of Metals and Materials by the Products of Combustion of Gaseous Fuels—Report No. 3** (for manufacturers and utilities). First printed in 1951; this is a reprint. Prepared by H. A. Pray, R. S. Peoples, C. T. Sims, and Earl White of Battelle Memorial Institute. Available from A.G.A. Headquarters, New York, \$1.00 a copy.

● **Cracking Catalyst Activity in the Presence of Hydrogen Sulfide—Institute of Gas Technology Research Bulletin No. 4** (for any gas company that has a catalytic cracker). Prepared by H. A. Dirksen, H. R. Linden, E. S. Pettyjohn; available from A.G.A. Headquarters, New York or I.G.T., Chicago, \$3.50 a copy.

### SERVICE

● **Gas Appliance Service Water Heater Manual—Fourth Edition** (for utility servicemen). Covers installation methods and servicing of water heaters and their controls. Pocket-sized, 246 pages, fully illustrated. Prepared by A.G.A. Committee on Gas Appliance Service Manuals. Available from A.G.A. Headquarters, New York. Prices: \$2.00 per single copy; \$1.75 per copy for 10 to 99 copies; \$1.50 per copy for purchases in excess of 99 copies.

## Correction

O. W. BARENSCHER, division manager, Wisconsin Public Service Corp., Sheboygan, Wis., has written the MONTHLY as follows:

"The State of Texas is a great state, but so also is the State of Wisconsin. It was the great governor of the State of Wisconsin but not of Texas who presented the American Cancer Society Award to Mr. Frank C. Smith, president of the Houston Natural Gas Corporation, as shown on page 44 of the June issue of the A. G. A. MONTHLY.

"The great State of Wisconsin demands that this oversight be corrected in the next issue."

● The release issued by the American Cancer Society, from which was written the story in the Monthly, made no mention of Wisconsin. It was assumed that—lacking other identification—Mr. Kohler was governor of the state in which the release described him as making the presentation.—Editor

## West Coast utility makes executive management personnel changes

**T**HE PACIFIC GAS and Electric Co., San Francisco, has made several important, top-management changes.

Dunlap D. Smalley, vice-president in charge of operations since 1947, of Pacific Gas & Electric Co., will advance to vice-president and assistant general manager, reporting to Norman R. Sutherland, vice-president and general manager. Mr. Smalley, a University of California graduate, began his utility career with the Merced River Power Co. in 1911. He is immediate past-president of the Pacific Coast Electrical Association.

George H. Hagar, manager of electric operation, was appointed vice-president in charge of operations to succeed Mr. Smalley. Also a University of California graduate, he began as helper with a line crew of the Sierra and San Francisco Power Co. in 1912.

Arthur J. Swank, manager of general construction since 1951, will become vice-president in charge of general construction, a new office. Mr. Swank was graduated from the University of California in 1917 and went to work in P. G. and E.'s Folsom powerhouse. He has directed a large part of the company's billion-dollar construction program since World War II.

Another new office will be held by Robert H. Gerdes as vice-president and general counsel. He has been general counsel since 1945. Mr. Gerdes was graduated from the University of California in 1926 and from its law school in 1928.

Raymond Kindig, company secretary, will retire July 1. He was first employed in 1914 and became assistant secretary in 1923, being made secretary in 1943. Succeeding him will be Edmond E. Manhard, a University of Iowa alumnus, who has been an assistant secretary since 1947.

The vacancy created by the advancement of Mr. Hagar will be filled by George A. Peers,

general superintendent of transmission and distribution, who will become manager of electric operation. Mr. Peers began with P. G. and E. in 1916 after graduation from Stanford University.

Thomas P. Copeland, manager of the company's Shasta division, will succeed Mr. Peers as general superintendent of transmission and distribution, headquartered at San Francisco. Leigh H. Smith, the company's Richmond district manager, will succeed Copeland as Shasta division manager.

Two other division managements were affected by the series of changes. H. H. Court-right, manager of the San Joaquin division, was appointed assistant to the vice-president and general manager, Mr. Sutherland, continuing his headquarters at Fresno. Arthur D. Church of San Rafael, manager of the North Bay division, will return to Fresno, where he formerly served in the company, to be come San Joaquin division manager. Mr. Church will be succeeded by W. Frank Pape, at present division gas superintendent in the company's East Bay division.

Thomas P. Jenkins, superintendent of Pacific Gas and Electric Co.'s gas system and operations in the company's Stockton division, will become gas superintendent in the East Bay division, with headquarters at Oakland.

Personal  
and  
otherwise

## Charles Bennett retires from Pittsburgh Group chairmanship

**C**HARLES E. BENNETT, immediate past-president of the American Gas Association, and a national leader in the natural gas industry, retired on June 1 as chairman of the board, Pittsburgh Group Companies, Columbia Gas System.

In his lifetime Mr. Bennett saw natural gas service grow from a number of isolated, local concerns to a nationwide industry drawing on pipelines stretching across the country.

Underground gas storage, an unheard of process in Mr. Bennett's earlier days, has been developed to a point where it is one of the industry's best means of assuring its customers adequate year-around deliveries, even on the coldest winter days.

Through their affiliation with the Columbia Gas System, the Pittsburgh Group Companies were pioneers in the development of gas storage.

In fact, through his position with the Pittsburgh Group, and his close association with the American Gas Association, he played a large role in promoting many phases of the gas industry's expansion.

He was closely associated with the American Gas Association's Testing Laboratories, which are concerned with advancing the safety and performance of gas appliances.

Mr. Bennett has long been active in American Gas Association. Last year, he served as the Association's president and this year he is contributing to the work of the Executive Committee of the Board, the Gas Industry Development Committee, the A. G. A.-GAMA Task Committee on Customer and Public Safety, and the Laboratories Managing Committee. In addition, he is a member of the Board of Directors and is the Association's

national councillor, Chamber of Commerce, United States of America.

Mr. Bennett entered the gas industry in Madison, Wisconsin, in 1915, three years after graduating from the University of Wisconsin.

"When I went into the gas business in 1915—manufactured gas at that time—it was considered that the prospects for much expansion were limited," Mr. Bennett recalled.

"Today it is almost unbelievable to us old-timers the volumes of gas that are sold each year. This boom the industry is experiencing

is spectacular beyond our wildest dreams."

He served as vice-president and general manager of the Binghamton (N. Y.) Group Companies of Columbia Gas System from 1920 to 1930, and as president from 1931 to 1935.

He became president of the Pittsburgh Group—which now includes the former Binghamton Group Companies—in 1935, and served in this capacity until last December, when he became board chairman. John C. Peterson assumed the presidency at that time.



Charles E. Bennett, retiring as board chairman of Pittsburgh Group Companies after a lifetime of service with the Columbia Gas System, joins executives and employees at a cake-cutting ceremony in his honor. In center group, left to right, are: John C. Peterson, president; Mr. Bennett and Katherine Keady, secretary. At rear is Fred W. Batten, vice-president and general manager



## OBITUARY

### Dean A. Strickland

general sales manager, Texas distribution division, United Gas Corp., Houston, died on May 12 at the age of 53.

Widely known in the gas industry through his work on important committees of the American Gas Association and the Southern Gas Association, Mr. Strickland was a former president and director of SGA.

At the time of his death, Mr. Strickland was a member of the A.G.A. National Advertising Committee and was a member of the Association's Residential Gas Section Managing Committee.

He began his career in the natural gas business in 1930, when he joined United Gas as a tax and insurance commissioner. In 1934, he was transferred to the sales department and in that same year was promoted to general sales manager.



Dean A. Strickland

Mr. Strickland was an alumnus of Emory University, Atlanta. He is survived by his widow; a brother, James Lowell Strickland; a daughter, Mrs. James C. Wright; and a grandson, James C. Wright, Jr.

### Charles C. LeForge

purchasing agent of The Peoples Gas Light and Coke Co., died on June 17 after suffering for several weeks from nephritis. Mr. LeForge, who was 62 years old, had served the utility since 1914.

Mr. LeForge joined the company immediately after his graduation as a chemical engineer from Rose Polytechnic Institute, Terre Haute, Indiana. Before he became purchasing agent in 1933, he served in the company's operating department, at production and distribution stations.

Mr. LeForge was a member of the American Gas Association and the National Association of Purchasing Agents.

He is survived by his widow, Mrs. Maude LeForge; two daughters, Mrs. Nancy L. Livengood and Mrs. Margaret R. Pickard; and a son Kennett, who is serving in the United States Army.

### Robert M. Campbell

manager of the tax department, Consolidated Natural Gas Co., died on June 13 at the age of 57.

Mr. Campbell was a graduate of the University of Pittsburgh, and received a bachelor of science degree in petroleum engineering in

1919. After graduation, he was employed for a short time by the Bureau of Internal Revenue, natural resources section.

Mr. Campbell then joined the Carter Oil Co. as a valuation engineer. When Carter's eastern properties were absorbed by the Hope Natural Gas Co., Mr. Campbell was transferred to Hope, where he remained for the next eight years.

In 1933, Mr. Campbell transferred to the parent company, Standard Oil (New Jersey), and spent the next 10 years as a member of the tax department in New York.

Mr. Campbell joined the tax department of the Consolidated Natural Gas Co. in 1943 as manager of the tax department. He held this position at the time of his death.

Mr. Campbell was active in the affairs of the American Gas Association's Accounting Section. A charter member of the Taxation Accounting Committee, he served a double term as committee chairman in 1940 to 1942. At the time of his death, Mr. Campbell was serving a third term as chairman of this committee. He also served as a member of the section's Depreciation Committee.

Mr. Campbell is survived by his widow, Garnet Stout Campbell and a son, Robert M., Jr.

### Raymond Cross

former president of Ohio Fuel Gas Co., Columbus, died on June 1 at the age of 76.

Mr. Cross came to Columbus in 1927 as president of the Ohio Fuel Supply Co., fore-runner of the Ohio Fuel Gas Co. and as vice-president of the Columbia Gas & Electric Co., New York.

From 1916 to 1927, Mr. Cross served as president of the United Natural Gas Co., Oil City, Pa., and the Pennsylvania Gas Company. He was a charter stockholder of the State Fuel Gas Co., Oklahoma City, and was chairman of the board at the time of his death.

Surviving are his wife, Mary Belle Cross; a son, Dr. Robert B.; and two sisters.

### Joseph H. Nickell

manager of the Philadelphia Electric Co. insurance department, died on June 26 at the age of 70 years.

Mr. Nickell was employed by the utility in 1908 and was named manager of the insurance department in 1934.

He was widely known in insurance circles having served as vice-president of the American Management Association insurance division and chairman of the Edison Electric Institute insurance committee. He was a member of the American Gas Association and the Insurance Managers Association. He was also vice-chairman of the annual meeting committee, Pennsylvania Gas Association, and past-president of the Philadelphia Electric Quarter Century Club.

He is survived by his wife, the former Elona May Kinkaid; a daughter, Mrs. Elizabeth N. Exler, and a grandson, James H. Exler.

### Watson E. Derwent

former vice-president of the George D. Roper Corp., died at the age of 74 in Rockford, Illinois.

Mr. Derwent had been associated with the

Roper organization as vice-president and sales manager for more than 25 years when he retired several years ago. Before that, he had served Sears, Roebuck and Co., the Kalamazoo Stove Co. and the Blackhawk Engineering Company.

During his years of industry activity, he was a member of the stove panel, War Production Board and president of the Association of Gas Appliance and Equipment Manufacturers. He also had been a board member of the American Gas Association. He contributed many articles to the industry's trade publications.

Surviving are two nieces. His first wife, Marie B. Derwent, died in 1936, and his second wife, Dee Lacy Derwent, passed on in 1946.

### Fremont L. Lovett

president of Rockland Light and Power Co. (N. Y.), Rockland Electric Co. (N. J.), and Pike County Light and Power Co. (Pa.), was killed when his one-engine airplane crashed on June 13. Mr. Lovett was 64 years old.

The plane was being piloted by Mr. Lovett when the crash occurred near the landing strip of the family farm at Warren, Vermont. Mr. Lovett's one passenger, True C. Morrill, 65, dean of the evening division, Bergen Junior College, Teaneck, N. J., was killed also. Mr. Lovett's daughter is married to Mr. Morrill's son.

Mr. Lovett studied engineering at Norwich University, and after graduation was an electrical engineer for the Worcester Light and Power Co., Massachusetts. He later worked for the Brockton Gas Light Co., also in Massachusetts, and became a director of the company.

In 1927, he was named general manager of the electric companies in Rockland and Orange Counties. In 1936, he became vice-president and director of the Rockland Light and Power Company.

Early last year, he was elected president of the company and president of the New Jersey and Pennsylvania companies.

Mr. Lovett is survived by his widow, Mrs. Mable Iola Pillsbury Lovett; two sons, Leslie Allen and Elton Mason Lovett; and his daughter, Mrs. Doris Iola Morrill.

### John A. Laing

general counsel, Portland Gas & Coke Co. and Pacific Power & Light Co., died at the age of 69 years, on May 12.

Mr. Laing came to Oregon in 1910 to become counsel for Portland Gas & Coke Co. and the Pacific Power & Light Co., the position he held for 42 years. During his career, he also served as general counsel for Northwestern Electric Co., vice-president of Portland Gas & Coke Co. and of Pacific Power & Light Co.; vice-president of Northwestern Electric Company. He served as a director of Portland Gas & Coke from 1918 until the time of his death. He was a senior partner in the law firm, Laing, Gray and Smith.

Mr. Laing received his bachelor's degree from Dartmouth College in 1905 with Phi Beta Kappa honors and his law degree from Columbia University in 1908.

Mr. Laing was a member of national, state and county bar associations.

## Yorath new president of Canadian Gas Association

**D** K. YORATH, Edmonton, has been elected president of the Canadian Gas Association at the 46th annual meeting held in Montreal, June 15-18. Mr. Yorath is general manager of Northwestern Utilities Ltd., and succeeds Raymond Latreille, commissioner, and manager, gas division, Quebec Hydro-Electric Commission. S. B. Severson, chairman, Dominion Natural Gas Co. Ltd., has been elected first vice-president, and P. W. Geldard, engineer of distribution, The Consumers' Gas Co. of Toronto, is second vice-president.

The Executive Committee for 1953-1954 includes: T. E. Cross, Montreal; H. W. Durgy, St. Catharines, Ont.; J. A. Fleming, Chatham, Ont.; G. F. Knight, Toronto, Ont.; R. Latreille, Montreal; Ray McLellan, Wallaceburg, Ont.; R. C. McPherson, Cal-

gary; F. R. Palin, Chatham, Ont.; E. W. Pickett, Toronto; E. H. Rohrer, Vancouver; F. W. Satchwill, Winnipeg; William R. Ward, Hamilton, Ont.; and W. A. Higgins, executive secretary and treasurer, Toronto.

Frank C. Smith, president of the A. G. A., was one of the principal speakers on the program which included addresses by W. F. Lougheed, economist, Canadian Bank of Commerce; H. Filiatrault, Quebec Hydro-Electric Commission; C. R. Armstrong, Bell Telephone Co. of Canada Ltd.; L. B. Bowman, Rochester Gas & Electric Corp.; H. C. Darroch, Moffats Ltd.; H. N. Walters, British Columbia Electric Co., and W. H. Evans, Minneapolis-Honeywell Regulator Co., Ltd. Group discussions on technical and sales aspects of the industry were well attended.

Three hundred delegates, registered from all parts of Canada and the United States, and over 100 ladies attended traditional C. G. A. social activities. A. T. Everham, Wheaton, Ill., won the president's trophy for the member with the lowest net score in the annual golf tournament.

The 47th annual meeting will be held at Banff Springs Hotel, Banff, Alberta, June 20-24, 1954, and the 48th annual meeting will be held at Niagara Falls, Ont., June 5-9, 1955.



D. K. Yorath

## Bonnett heads Distinguished Service Award Committee

**L** B. BONNETT, vice-president, Consolidated Edison Co. of New York, Inc., has been appointed chairman of American Gas Association's 1953 Distinguished Service Award Committee. Other members appointed to the committee are: J. J. Hedrick, president, Natural Gas Pipeline Co. of America, Chicago, and C. H. Zachry, president, Southern Union Gas Co., Dallas.

The Distinguished Service Award, one of the industry's most coveted honors, was established in 1929. It comprises an engraved certificate and a substantial sum of money. In the past it has been bestowed for exceptional

contributions made in such fields as improving industrial use of gas, labor-saving accountancy; public relations; development of an improved process for manufacturing gas; dealer cooperation, research; and for progress in change-over from one kind of gas to another.

There are many leaders in the gas industry who could be rewarded in this manner for outstanding contributions to the gas industry. Thus, companies are urged to submit applications of candidates for the award to Kurwin R. Boyes, secretary of the American Gas Association, 420 Lexington Ave., New York 17,

not later than August 1, 1953. The current award will be presented at the A. G. A. Annual Convention in St. Louis, Mo., October 26 to 28.

Mr. Bonnett serves also as a director of the American Gas Association, and a member of its Committee on Customer Service Responsibility.



L. B. Bonnett

## Moshier named assistant secretary, A.G.A. Operating Section

**F**REDRIC MOSHIER, formerly assistant to the director of the Natural Gas Department of the American Gas Association, has been appointed assistant secretary of the A. G. A. Operating Section. In this capacity he will assist in coordinating the activities of the natural gas branch of the industry into the programs of the Operating Section in accordance with the revised American Gas Association

Constitution and By-Laws.

After attending schools in New Rochelle, N. Y. and Columbia University, Mr. Moshier spent more than three years in the U. S. Air Force. After his military service he joined the press department of the National Broadcasting Company as a staff writer. Later he returned to the First Air Force as a civilian and assisted in setting up Air Reserve units that now guard

the eastern seaboard.

Mr. Moshier joined the American Gas Association in 1948, serving in the Natural Gas Department until it was abolished. He is active in the work of the ASA Section Committee B31, which is revising Section 8 of the Pressure Piping Code. Under the new appointment, he becomes assistant secretary of all A. G. A. Operating Section committees.

## A.G.A. nominates

(Continued from page 4)

### INDUSTRIAL AND COMMERCIAL GAS SECTION

#### For chairman

CHARLES C. EELES, district industrial sales manager, The Ohio Fuel Gas Co., Toledo, Ohio

#### For vice-chairman

RAY TROWBRIDGE, commercial and industrial sales manager, Seattle Gas Co., Seattle, Washington

### OPERATING SECTION

#### For chairman

FREDERICK J. PFLUKE, superintendent of gas operations, Rochester Gas & Electric Corp., Rochester, New York

#### For vice-chairman

W. H. DAVIDSON, vice-president, Transcontinental Gas Pipe Line Corp., Houston, Texas

#### For second vice-chairman

J. H. COLLINS, general superintendent-gas department, New Orleans Public Service Inc., New Orleans, Louisiana

### RESIDENTIAL GAS SECTION

#### For chairman

RAYMOND LITTLE, general sales manager, Equitable Gas Co., Pittsburgh, Pennsylvania

#### For vice-chairman

WALTER H. KURDELSKI, residential sales manager, Michigan Consolidated Gas Co., Grand Rapids, Michigan

## Make appointments to personnel and public relations posts

JOHN R. SAVAGE has been named personnel director and Kathleen Skinner has been appointed administrative assistant to the president at Portland (Ore.) Gas & Coke Company.

Mr. Savage succeeds Ray H. Glassley, who retired on June 19. He joined the Oregon utility after serving as the assistant manager of the personnel department of the Hawaiian

Electric Co., Honolulu.

Mr. Savage is a graduate of Princeton University and has had special training in personnel administration.

Miss Skinner will assist President Charles H. Gueffroy in matters relating to public relations and publicity. She has been employed by the company since 1939, with most of the time as secretary to the Vice-President R. G.

Barnett.

She received a bachelor of arts degree in English at Willamette University, where she was graduated with honors. After completing graduate work at the University of Oregon, she received a master's degree.

Carl E. Cluff, the company's publicity director, resigned on June 1, the day that the appointment was announced.

## Construction

(Continued from page 7)

Northwest is a major reason for this drop. Some pipeline plans also have been temporarily shelved.

Extension of existing and new transmission lines will account for more than \$809 million in 1953. This increase over 1952 is attributed to new pipelines from the Gulf Coast area to the Appalachian region, the line from the Permian basin to the Midwest, and to major expansions in existing lines in the Midwest, Southwest and Southeastern areas.

Expenditures of \$347 million are contemplated for distribution facilities during 1953, to serve the ever-increasing number of new customers. In 1952 more than 900,000 new customers were added to gas utility lines. For the past four

years the average gain has been 902,000 customers a year.

Construction plans for underground storage facilities continue to stress the importance of such facilities in meeting peak load requirements. The industry expects to spend over \$38 million for new underground storage facilities in 1953, nearly double the \$20 million anticipated last year for the comparable period of time. During the next four years such expenditures are estimated at over \$134 million, as compared with \$42 million estimated twelve months ago for the same period.

Construction expenditures for natural gas facilities continue to account for more than 90 percent of total expenditures. For the four years from 1953 through 1956 the forecast for natural gas expenditures is over \$3.6 billion, com-

pared with actual expenditures of \$4.3 billion in the 1949-1952 period. For 1953 alone, it is estimated that natural gas construction expenditures will be over \$1.29 billion or 91.6 percent of estimated construction expenditures for the year.

Construction expenditures for the manufactured, mixed and liquefied petroleum gas utilities are relatively small. Estimates by this group reflect proposed conversions by several manufactured and mixed gas companies to natural gas distribution.

Data covering actual expenditures in 1952 and projected expenditures for 1953 were submitted by companies representing more than 90 percent of total gas industry revenues. Forecasts beyond 1953 were obtained from a substantial number of pipeline and large distribution companies.

## Industrial relations

(Continued from page 18)

the charges were instigated between the Retail Clerks and CIO's Amalgamated Clothing Workers, September 15, 1952. Bonwit Teller, Inc.; Case No. 2-RC-1026.

*De Minimis can't apply to cooperative*—The notion that a farmers' electric cooperative is selling only a portion of its power to companies engaged in interstate commerce takes it from under jurisdiction of the National Labor Relations Board is an erroneous one, the Board argues in a brief filed with the U. S. Court of Appeals for the Fifth Circuit.

The brief, seeking court affirmation of a Board decision that the Farmers' Electric Cooperative of Texas had violated the Taft Act in refusing to bargain with AFL's Electrical Workers, states that the doctrine of *de minimis* does not apply in the case.

The co-operative had admitted refusing to bargain with the union, but answered the Board's order to bargain by saying that it does not come within the meaning of commerce in the Act. The Board declares, however, that decisions "of the Supreme Court, this court and other courts clearly establish that the authority of the Board to assert jurisdiction over a business is as broad as the power of Congress over interstate commerce."

The co-operative receives about \$21,000 worth of supplies shipped to it annually from

outside the state. It has some five thousand consumers in 11 Texas counties from whom it receives about \$79,500 in payments for electricity. It furnishes electrical power to the Southwestern Bell Telephone Company, covering six states, and a group of oil companies.

The Board draws attention to a recent ruling of the Supreme Court (I.B.E.W. v. NLRB, 341, U.S. 694) which NLRB says "makes it clear that even if the dollar value of respondent's business transactions and interstate purchases were insignificant, the amount here involved may not be considered *de minimis*."

*Discharge of "security risks"*—The general counsel for the National Labor Relations Board has ruled that an employer's good faith reliance, in the discharge of employees as poor security risks, upon a private investigator's report is justified, where evidence reveals Communist, or Communist-front activity, or marriage to a Communist, or activity in behalf of the Soviets, or the regular and periodic support of Communist publications, on the part of the employees involved. (Administrative Decision of NLRB General Counsel; Case 661; May 11, 1953.)

● *Wage and hour—Suggested changes in student-learner regulation*—Wage-Hour Administrator William R. McComb serves notice of proposed revisions in regulations governing employment of "student learners" under the Fair Labor Standards Act. These appear

to be the most significant changes:

1. Shifting responsibility for filing certificate applications for employment of student learners from school officials to employers. In addition to filing with the administrator, the employer also would be required to file a copy with the appropriate regional or territorial office of the Wage-Hour Division.

2. If adopted, the revised regulation would provide that the sub-minimum wage rate may not be less than 60 cents an hour, or that the progressive wage schedule may not average less than 60 cents per hour over the entire period covered by the certificate. The minimum starting rate in the progressive wage schedule could not be less than 55 cents per hour.

Current regulations require that the minimum wage not be less than 75 per cent of the 75-cent statutory minimum.

The regulation (Section 520.2 of FLSA) defines student learners as follows:

a. A "student-learner" is a student who is receiving instruction in an accredited school, college or university and who is employed on a part-time basis, pursuant to a bona fide vocational training program.

b. A "bona fide vocational training program" is one authorized and approved by a state board of vocational education or other recognized education body and provides for part-time employment training which may be scheduled for a part of the work day or work week, for alternating weeks or for other lim-



ited periods during the year, supplemented by and integrated with a definitely organized plan of instruction designed to teach technical knowledge and related industrial information given as a regular part of the student-learner's course by an accredited school, college, or university.

● **Analyzing turnover**—Has your turnover rate been reviewed lately? In doing so look at each department. If the turnover rate is noticeably higher in certain departments, a study of these groups should reveal the causes and give ideas for remedies. Here are a few of the causes:

Work in certain departments is heavier or dirtier than in others;

Wage inequities exist and no progress is being made to bring rates into line;

Light, ventilation, noise and safety conditions are bad;

Poor supervision exists, due either to incompetence or to indifference;

Wage rates below those in comparable plants and industries;

Dead end jobs that lead nowhere. Lack of opportunity for advancement;

Failure to challenge the employee with a job calling for his full capabilities;

Management evidences no interest in employees' welfare or problems;

Employees are driven too hard.

● **State mediation laws and agencies**—A recent publication, Bulletin No. 162, containing summaries of state laws relating to mediation and conciliation of labor disputes, and including the names and addresses of the state officials to whom strike notices required under the Labor Management Relations Act should be directed, is now available from the

Bureau of Labor Standards, U.S. Department of Labor.

This pamphlet contains brief resumes of the mediation and, where provided for, the arbitration procedures which are specified by law or which are followed in practice in each State. Information is also given as to the size of the conciliation staff and the number and location of branch offices in the states.

The introduction contains a short discussion of the background and history of state mediation programs, the extent of such programs today, power of state agencies to intervene in labor disputes, fact-finding authority, arbitration provisions in State mediation laws, special provisions relating to labor disputes in public utilities, cooperative Federal-State agreements between the state agencies and the Federal Mediation and Conciliation Service.

Request your copy of Bulletin No. 162—"A Guide to State Mediation Laws and Agencies" from Mr. William L. Connolly, director, Bureau of Labor Standards, U. S. Department of Labor, Washington 25, D. C.

● **Vacation planning aids**—Helping employees choose the place where they will spend their vacation is an idea that may well fit into your employee vacation program. Some employers have done it quite successfully. Here is how one company helped its employees with their vacation plans:

Provide employees with resort information. Place vacation literature on the bulletin board or in another suitable location. It is helpful to get literature about various vacation spots located close at hand. Most employees would not be interested in distant resort areas beyond a 300-mile radius of their homes. When you have the data on possible vacation areas, the next need is to find out what resorts are available in these areas.

Almost all your exploratory work can be done by letter. What you will be interested in finding out is: (1) The various hotels, cabin resorts, motels and the like, within a given vacation area, (2) the prices charged by these establishments and (3) what each has to offer in the way of recreation and amusement. When communicating with a vacation resort explain your program briefly and ask for all possible information about their resort or locality, including available literature. In the larger cities, the major daily newspapers have a travel guide editor. Some newspapers even maintain a vacation service. In any case, both the editor and the service can be of definite help in gathering information about resorts. It is recommended that no opinion be expressed to employees as to whether a specific resort is good, bad or indifferent. The employee must decide that for himself.

Vacation displays are helpful as follows:

1. Reserve part of your bulletin board for this purpose. Introduce the new program by making a special announcement on the board. The following day begin pinning up the various pieces of vacation literature. They should be changed frequently.

2. Furnish a table upon which vacation literature can be placed. It can then be used more conveniently by the employees. Designate which literature can be taken away by employees and which is there for reference only.

3. If the personnel department is equipped to provide the employees with any further information, post a notice to that effect also. Consider whether it would be advisable to have a company representative stationed near the table during lunch hours to answer all inquiries.

4. Get in touch with a travel bureau if you expect to go into this program in a big way.

## Pattern for profit

(Continued from page 15)

presentation will be available on a sound-slide film. The illustrated publication, "10 Sure Ways To More Sales" written by Dr. Robert N. McMurray, one of the nation's leading sales analysts, is based on extensive personal interviews with dealers in many sections of the country. It has been prepared to be given to dealers attending the dealer training session for "take home" reference.

7. Dealer decal is to be inserted in back pocket of "Pattern For Profit" portfolio. This is an 8 inch X 8 inch decalcomania in three colors, featuring a large gas flame, and the words "Gas Appliance Dealer." It is intended for distribution by gas utility companies to local dealers as a means of identifying the dealer as a local gas appliance sales outlet.

8. The folder, "How To Select A Salesman" is to be inserted in back pocket of "Pattern For Profit" portfolio. This was prepared by Dr. Mc-

Murray and is available to gas utility companies for distribution to all local dealers, to assist them in selecting dealer sales personnel.

The entire "Pattern For Profit" dealer sales program will be mailed to all member gas company sales executives and sales managers, in addition to all domestic gas appliance manufacturers, prior to the end of August, 1953. The committee is convinced that its use by the gas industry will attain the vital objective of a constant increase of gas appliance sales through the dealers and greater gas loads.

## Servicing policies

(Continued from page 23)

It is curious and rather interesting that the percentage of companies reporting that they turn the service work over to others is not materially influenced by the

nature of the utility company. The companies who charge for burner and control adjustment and lubrication service at higher than cost have not been segregated. In the case of straight gas companies, from five percent to 10 percent charge higher than cost while 10 percent to 20 percent of the combination com-

panies make such charges, depending on which service item is under consideration. There is a consistent pattern of difference but, nevertheless, it is not a large difference and it, therefore, does not seem to be too significant since the majority of gas customers are receiving free service.

The Statement of Good Practice which involves the responsibilities to the customer and the responsibilities of the customer, has been prepared after a study of the check list responses.

## I. Scope

In order to assure the highest practical degree of customer satisfaction with the performance of domestic and commercial gas appliances, and to increase their acceptance and use, the American Gas Association Committee on Customer Service Responsibility, after conference with a parallel committee of the Gas Appliance Manufacturers Association and a study of prevailing practices, has prepared and recommends this statement as representing good practice in providing customer gas service. The Board of Directors of the Gas Appliance Manufacturers Association has approved the statement of "Functions of the Manufacturer" and the Board of Directors of the American Gas Association has approved the entire statement for submission to its member companies.

## II. Responsibilities to customer

The customer has a right to expect good appliance performance, brought about by proper design, construction and installation; correct initial adjustment; clear instructions for proper use; and availability of prompt and efficient adjustment service and parts replacement.

### 1. Functions of utility

a. Gas supplied—Each utility is urged to distribute gas with sufficiently uniform characteristics and pressures as to permit the proper performance and satisfactory operation of appliances throughout the year.

b. Information for customers—Each utility is urged to inform its customers regarding the extent and character of the appliance servicing which the utility is currently prepared to render.

c. Appliance adjustment service—Each utility is urged to provide, upon customer's request, prompt and efficient appliance adjustment service, preferably with the cost of such service included in operating expenses to the extent reasonable and practical. This service should be rendered to all gas appliances meeting prevailing minimum standards of safety, without distinction as to appliance warranty or point of purchase; provided

that in the judgment of the utility the appliance can be restored to a proper operating condition. The above does not imply that the utility need be the exclusive agency for providing appliance adjustment service. Where the utility finds improper installations made by others, it is urged either to correct such installations or to refer the customer to an appropriate service agency.

d. Parts replacement service—In the absence of adequate service by other parties, each utility is urged to offer at reasonable charges to its customers, parts-replacement service on gas appliances which meet prevailing minimum standards of safety, without distinction as to appliance warranty or point of purchase, providing that the appliance can be restored to proper operating condition. The availability of the necessary parts is the responsibility of the appliance manufacturer or his designated representative.

e. Training of installation personnel—Whenever required, each utility is urged to assist appliance manufacturers and their local representatives in the training of appliance installers to conform to local ordinances, building, plumbing, and other codes, in order that gas appliances shall be properly installed, initially adjusted and serviced with replacement parts; and assist them in making field checks to determine the effectiveness of the training program.

### 2. Functions of the manufacturer

a. Appliance quality—Manufacturers are urged to build appliances of such design and construction that proper performance and operation may be obtained over a normal appliance life with minimum adjustments and parts replacements, and with reasonable accessibility for such service.

b. Replacement parts—Manufacturers, directly or through their designated representatives, are urged to provide replacement parts and local qualified service personnel for the installation thereof and to have them available promptly to the customer during the normal life of the appliance. But manufacturers should not be called upon to provide replacement parts unless in their judgment the appliance can thereby be restored to proper operating condition.

c. Warranty—The manufacturer

should fully and fairly live up to any warranty which he has made.

d. Instruction materials—Manufacturers, directly or through their designated representatives, are urged to make available to local installation and service personnel adequate and readily understandable instructions so that the appliance may be properly installed, adjusted, serviced and operated and to make available to the customer readily understandable operating instructions.

e. Training program—Manufacturers directly or through their designated representatives, are urged to provide, whenever required with the assistance of the local utility, adequate training of local personnel in appliance installation, adjustment and parts replacement, and further with the assistance of the local utility, to make field checks to determine the effectiveness of the training program. In such a training program, the installation information given to appliance installers should conform to local ordinances, building and plumbing codes, and other applicable regulations.

### 3. Functions of the retailer

a. Installation and initial adjustment—The retailer is urged to make or cause to be made a proper installation and initial adjustment of all gas appliances sold by him and to furnish to the customer adequate operating instructions.

b. Appliance warranty—The retailer is urged to take all reasonable steps to assist the customer in having the manufacturer's warranty fully and fairly lived up to, and to assist the manufacturer in protecting himself against improper claims under such warranty.

## III. Responsibilities of customer

1. Appliance operation—It is the responsibility of the customer to operate the appliance in accordance with the manufacturer's instructions and with proper care.

2. Notice by customer—It is the responsibility of the customer to notify the selling agent promptly regarding parts replacement during the warranty period. It is the responsibility of the customer to notify the utility promptly of any abnormal condition of gas service or appliance operation.

## Machine accounting

(Continued from page 12)

in the check register cards.

This operation completes the preparation of the dividend checks by the tabulating department. As each control is completed, the checks are sent to the stockholders record department in locked boxes, where the signing and mailing operations are completed.

4. The card checks are signed on a Todd model 61 card check signer at a rate of 200 checks per minute.

5. The dividend checks, quarterly letters to stockholders, and change of address notices (and a fourth insert if desired), along with window envelopes, are placed in the inserting and mailing machine and the inserts are stuffed, envelopes sealed, counted and the postal indicia imprinted, at a rate of 75 envelopes per minute.

As the dividend envelopes are stuffed and sealed on the inserting and mailing machine, they are tied in bundles of approximately one hundred and fifty by use of an automatic bundle tying machine. The bundles are then deposited in mail bags ready for delivery to the post office.

Bank reconciliation is effected speedily and accurately. The dividend check register cards are filed in stockholder number order (which is also check number order) pending receipt of the cancelled dividend checks from the bank.

As the dividend checks are received from the bank they are mechanically reconciled on the IBM accounting machine, with the bank statement totals and at intervals during the month are arranged in stockholder's number sequence in the IBM sorting and collating machines.

The checks are then placed in an IBM collator along with the dividend check register cards and the register cards for returned checks are automatically selected at a rate of 240 checks per minute.

The unmatched register cards are then listed on the IBM accounting machine. The check number, stockholder's number, share balance, dividend number and dividend amount for each check is shown on this list thereby creating the outstanding check list.

Treasury Department information returns (Form 1099), printed on tabulating card stock are ordered from IBM as dividends are paid (quarterly).

These cards are run through the 9300 Addressograph immediately after dividend check register run, imprinting the

name and address and punching the shareholder number.

The 1099 forms are then placed in the IBM reproducing punch along with the dividend check register cards. The amount of dividend is reproduced from the check register card into the 1099 form. The 1099 forms are then run through the IBM interpreter which prints the total amount of dividend on each tax return form.

At the end of the calendar year, check register card forms are run through the 9300 Addressograph imprinting the name and address and punching the number of shares, stockholder number geographic code and type of stockholder.

These cards are mechanically sorted to number of shares owned, geographic code, and type of stockholder. As each sort is completed the stockholder analysis of size of holdings, geographic location and type of stockholders are respectively tabulated on the IBM accounting machine.

Immediately following the approval of wording by the board of directors and the Securities and Exchange Commission, the proxy form is printed on IBM card stock. Three sets of proxy forms are printed; white, blue and pink.

As of record date, the white proxy cards are processed through the 9300 Addressograph which prints the name and address on the proxy card and at the same time punches the stockholder's number and share balance. The cards are then run through the IBM accounting machine by control group and the totals of shares obtained by this tabulation are balanced to totals established as of record date on the stockholder's record department. The white proxy cards, proxy statement, return envelope and a fourth insert if desired are placed in the inserting and mailing machine along with window envelopes; the inserts are stuffed, the envelopes sealed and the postal indicia affixed by the machine. The completed proxy envelopes are tied in bundles by use of the automatic bundle tying machine and are then deposited in mailbags ready for delivery to the post office.

The blue and pink proxy cards are processed through the 9300 Addressograph in the same manner as the white proxies and are filed pending their use.

The proxy cards are first inspected for validity and then sorted to stockholder's number sequence on the IBM sorter.

They are next placed in the IBM ac-

counting machine which tabulates the number of shares voted each day. Where the proxy contains several propositions and negative votes are received, the cards for such votes are punched for identification and separate tabulations of the negative voting are made for each proposition.

The proxies returned by the stockholders are matched against this file of cards, on the IBM collator. The matching white cards are sent to the stockholders record department where they are placed in the inserting and mailing machine along with "Thank you" letters and window envelopes and stuffed, sealed, stamped, tied and mailed in the usual manner.

As of a scheduled date, the several batches of white proxies which have been returned are merged in stockholder's number order and placed in the IBM collator along with the blue proxy cards previously addressed and punched. By controlling on the stockholder's number in the white proxy cards, the corresponding blue proxy cards are selected and destroyed.

The remaining blue proxies are placed in the inserting and mailing machine and processed in the manner already described for other mailing operations.

If a further proxy follow-up is deemed necessary, the pink copy cards may also be selected in a comparable manner, as of a scheduled date, and mailed to stockholders as desired.

The equipment and procedures described herein have now been through what may be termed a trial period and the performance has been completely satisfactory. An estimated annual savings of 31 percent in the cost of stockholders records work has been achieved under the plan of mechanization.

Total annual labor time devoted to stockholder accounting and dividend disbursement work has been cut to less than half, and the work is now carried out on the basis of a level work force throughout the entire year. No expansion is required during dividend payment operation and proxy work. Formerly, peak period work required expanding the work force to more than double the off peak level with attendant personnel and housing problem.

Also of considerable importance is the improvement in the condition of the records, the speed and flexibility of the operation, and the elimination of the pressure of overtime work during peak period.



## How much auditing

(Continued from page 26)

usually result in erroneous conclusions, while at the other extreme too many test checks constitute economic waste.

In recent years there have been a number of very interesting and informative books published on the subject of scientific sampling. In fact, statistical sampling based upon the computation of probabilities is now being advocated as the panacea for the auditor in his efforts to establish how much auditing is enough. While I do not profess to understand fully all the connotations of scientific sampling, I am reasonably certain that no fixed standards will ever be developed to supplant sound judgment and experience. While a five to ten percent, or even smaller, test check may be appropriate for certain operations, a much higher ratio would be necessary for other types of work not subject to the same control.

Incidentally, speaking of percentages and ratios, many auditors place entirely too much emphasis on the number of clerical inaccuracies encountered in their audits and make no attempt to evaluate such errors in terms of acceptable performance. This practice is not only annoying to department and divisional heads, but equally, if not more important, it results in the auditor's activities being identified largely as a checking function.

The objective auditor establishes from experience and judgment what he considers to be a reasonable standard of performance for each clerical operation, recognizing, of course, that human beings, like modern business machines and even certain equipment such as boilers, turbines and transformers, are not always infallible. Ordinarily, errors can be reduced and sometimes even eliminated through lower productivity of employees or by a complete verification of the original recordings. Both methods at times are very costly and are therefore unwarranted.

Some auditors have an aversion to complimenting others for a job well done. They often demand perfection of others when in reality few, if any, companies could justify the expense of perfection. In other areas, the auditor should be able to discern what are reasonable business risks, whether in the fulfillment of his own responsibilities or in evaluating the performance of other company departments. To illustrate, in examining

accounting records, he must learn to accept many figures without question because of their relative unimportance. In other instances, a mere inspection of accounts or a comparison with the prior year's results may suggest the need for only a minimum examination.

While management looks to the internal auditor for independent appraisals of the practices and procedures of all departments, many auditors still confine their activities primarily to the accounting results. Obviously, an effective system of accounting is indispensable to managerial control, but from my observations few, if any, of our accounting systems provide utility management with adequate means for evaluating individual departmental performance. True, our systems of accounts are prescribed by regulatory authorities and the accounting segregations provided thereunder are not intended to conform to specific departmental operations.

Many companies have further subdivided their accounts to obtain more informative functional segregations of costs, but until such systems associate accepted units for measuring performance with related dollar amounts, management cannot determine readily what is achieved for the dollars expended. Moreover, the internal auditor who has had any extensive experience in evaluating departmental performance, soon learns that manhours are a much more effective yardstick in cost control than mere dollar amounts. In these days of inflated dollars, we all know that statistical comparisons expressed in dollar amounts have shown big increases in recent years.

When performance is expressed in terms of manhours for a specific number of meters tested, meters installed or removed, poles erected, miles of overhead or underground lines, customers' appliances serviced or utility bills released, a comparison of similar data over a period of years may well reflect changes in departmental productivity and efficiency. A sound system of internal auditing is one of the most efficient means of securing high levels of performance by all company departments.

Time and close familiarity with any operation often obscure the need for change; therefore, vigilant independent analysis is the only assurance that acceptable performance standards are maintained. Some departments are inclined to interpret their effectiveness on the basis

of the number of transactions handled and the promptness with which they are completed. The internal auditor, on the other hand, endeavors to associate all transactions with specific company policies and practices. It is not uncommon upon investigation to find that such policies and practices originated many years ago and, as a result, are now outmoded by present-day standards.

To many auditors, a review of departmental time sheets is an uninteresting assignment. Yet, in many companies such reviews provide the only means of determining whether there has been any upward trend in the number or ratio of non-productive calls by company employees engaged in customers' service activities. Similarly, such analyses may indicate unfavorable trends in the ratio of travel time to productive time of field personnel. This condition may be due to inefficient scheduling or dispatching of calls for the workmen or the need for further decentralization of operating personnel. The latter has become particularly significant during the past ten years with the unprecedented development of suburban and rural areas served by most utilities.

As an industry dedicated to the public interest, we must place increasing emphasis on the importance of cost control and strive more than ever before to give proper recognition to the economic aspects of every phase of our operations. Let us never forget that our individual companies should be just as much concerned about receiving full value for all of our expenditures as we are about receiving all of the revenue we are justly entitled to for our products and services.

It should now be apparent that I am a proponent of operational or functional audits, principally because of their importance to sound managerial control. While such audits demand great ingenuity and resourcefulness of the internal auditing staff, they are effective in helping top management and each level of management to achieve the standards of performance which they themselves are desirous of maintaining.

The internal auditor should approach all operational or functional audits as a practical businessman and not as a theorist. He should be alert to economic factors, particularly that business risks should be measured very often in terms of cost of control. And, above everything else, he should be an astute observer of people and should recognize the impor-

tance of the human factor in the success of any company operation. Conversely, his actions should never be those of the destructive critic who conveys the impression of being dissatisfied with everything and everybody, but nevertheless is unable to make any constructive suggestions for improvement.

Operational or functional audits of all operations of a company should not be attempted every year. An annual pro-

gram of such magnitude obviously would be impractical and, in many respects, non-productive. Instead, the internal auditor, together with top management, should carefully consider all operations each year and then select a limited number for intensive audit. While the auditor may not get as broad a coverage each year, his more comprehensive coverage of a specific number of operations should prove more beneficial to the company's

interests than the conventional type of audits.

In concluding this objective evaluation of the internal audit function, I should perhaps confess that it is easier to state the principles involved than it is to apply them effectively. However, if the principles are accepted, I believe that we, as auditors, can render the most useful service to the managements of our respective companies.

## Television

(Continued from page 10)

ors in its annual Better Copy Contest to East Ohio for producing the best utility television show during 1950. The show, called *The Woman's Window*, is a five-day a week, 30-minute program, with Ethel Jackson, home economist, as star.

Miss Jackson's recipes and household hints, initiated during August, 1949, are very popular in the area.

### Dallas

The Lone Star Gas Co. sponsors a news program during which there are four one-minute commercials. Lone Star's commercials are interesting because only the busy hands of the demonstrator show, while an announcer does all the talking. Gussie Lee Fuller, company home economist, and a representative of the advertising department, each spend a minimum of 23 hours a week in writing, reading, rehearsing, buying and cooking for the live commercials. All commercials emphasize the advantages of automatic gas cooking. By splitting the work, Miss Fuller has found that the utility can get a much bigger story across to the listener than when one person does everything.

### Detroit

In Detroit, the Michigan Consolidated Gas Co. sponsors a weekly one-half hour show which is given in the home service auditorium. The entire program is put on by the home service director and members of her staff.

Frieda Barth, home service director, says that the practical cooking demonstrations feature subjects of seasonal interest. Only on rare occasions, Christmas for instance, is a skit used. Between 900 and 1,000 calls are received after each telecast, attesting to the show's popularity.

Home service department members

feel that a better picture would be produced in a studio, but that it is a lot easier to put on a live show at home in the utility's auditorium.

### Houston

Recently, The Houston Natural Gas Corp. installed an all-gas kitchen in the city's new television studio, KPRC-TV.

The gas kitchen is the setting for *TV Kitchen*, one of the station's most popular programs. The set is equipped with a sparkling gas refrigerator, range, washer and dryer. A different manufacturer's range is featured each month.

Starring an independent home economist, the program enjoys an audience of about 37,000 families every weekday morning.

The utility and several local appliance dealers cooperate to sponsor and promote the program. Houston Natural pays for a one-minute commercial every day, in which the use of gas in the kitchen is always emphasized. Some of the commercials are on film, while others are live demonstrations by the show's announcer.

### Kansas City

The Gas Service Co. sponsors a news broadcast, during which a one-minute short, on film, is shown. These shorts are made in Colorado Springs under the supervision of the advertising department and Mrs. Helen Mandigo of the home service staff in Kansas City. They are repeated over a period of several months. All feature some aspect of modern cooking, and use exciting stop-action photography. (This is the type of commercial in which layer pops on layer, then the cake appears iced, then the wedge cuts itself and miraculously moves to serving dish.) The final shot always shows a high quality gas range.

### Miami

In the Miami area, utilities have

formed a gas institute which sponsors a twice-a-week television program. The show features guest club women, and other local leaders. The announcer advertises gas kitchen equipment informally during the program.

### Minneapolis

The Minneapolis Gas Co. has found that a "now-and-then" TV program answers its needs. The utility cooperates with the station whenever necessary and has provided the studio with a gas kitchen for other sponsors to use. Sometimes, the gas company shares a program with one or more food companies, but not on a permanent basis.

### New Orleans

The New Orleans Public Service, Inc., has set up a program in which an outside home economist handles the entire show. The utility's home service department checks everything . . . from scripts to recipes. All this takes a lot of time, but not as much as if the department members did all the work.

### Oklahoma City

The Oklahoma Natural Gas Co. sponsors two 30-minute shows five days a week, in Tulsa and Oklahoma City. The company installed television kitchens in both cities, and has made them available for other telecasters who might need kitchen sets.

The shows, called *Lookin' at Cookin'* and *Kitchen Close-Ups* are sponsored cooperatively by the utility, dealers, manufacturers, food suppliers and kitchen utensil manufacturers.

Naturalness is stressed in shows, which invite local restaurant chefs, visiting home economists and other food specialists to be guest stars. Everything on the sets has been analyzed for good television viewing, with the result that tables, utensil racks, overhead mirrors and every

other part of the set is in the best possible place for its purpose.

Sponsors gauge the popularity of the shows by the number of viewers and advertising effect by inviting listeners to request menu and recipe information.

## Pittsburgh

In Pittsburgh, Equitable Gas Co., The Peoples Natural Gas Co., and The Manufacturers Light & Heat Co. use the services of an outside home economist to do the show. The five-day a week, one-half hour program is sponsored by the three gas utilities with contributions from equipment manufacturers and dealers.

## Rochester

The Rochester (N. Y.) Gas & Electric Corp. does a six-minute television spot by invitation from the local station. Called "Make It and Market" the show features a market reporter who discusses best food buys of the week. Then, the home service demonstrator shows a use of the particular food.

There are no station facilities for cooking, and the show is produced against a painted backdrop. No attempt is made to show equipment.

## St. Louis

Laclede Gas Co. in St. Louis has been using the Dione Lucas films, which are described briefly later in this article.

## Washington

The last city on the tour is the District of Columbia, where the Washington Gas Light Co. sponsors *Margaret's Kitchen*, a 30-minute program which is telecast five days a week from a TV studio.

The Washington program is an outstanding example of cooperation by manufacturers, utility and television station.

Every one of these companies is a television pioneer and has solved many knotty problems. And they are still solving problems for television is one medium that seems to present more crises than all the others combined!

And while those problems might seem insurmountable to the utility considering television for the first time, there is available a good deal of valuable help. American Gas Association, for instance, offers *Cuff Notes on Television*, a concisely written, pocket-sized manual which gives specific, practical information, and cites actual experiences.

*Cuff Notes* tells how to organize and

also how to plan a program, and gives program ideas and suggestions. It contains a wealth of information and is a helpful text book for the novice. Prepared under the auspices of the Residential Gas Section's Home Service Committee, it can be obtained from A. G. A. Headquarters, 420 Lexington Ave., New York, for 15 cents.

In addition, A. G. A. has prepared six short 16 mm. films slanted especially for homemaking students. The films, each about four minutes in length, are naturals for TV. They are called *Let's Make a Pie*, *Let's Make a Cake*, *Let's Make a Sandwich*, *Let's Make a Salad*, *Let's Make a Casserole* and *Let's Make a Meal in 20 Minutes*.

The films can be shown individually or grouped for a longer show. For more information about the films, write to promotion department, American Gas Association, 420 Lexington Ave., New York.

The Iowa State College, Ames, has prepared a comprehensive book on "How To Do Home Economics Television." The book, published by the Department of Technical Journalism in February 1953, is available for a nominal fee from the college's bulletin office.

The A. G. A. Kitchen Studio for producers of television and commercial films is probably one of the most helpful tools available for utilities considering making TV films. Located in Beverly Hills, Calif., and operated on a rental-free basis by the Association's Hollywood Bureau, the studio answers a great demand for a complete, soundproof modern kitchen set for filming. The studio is fully described in the March, 1953 issue of the A. G. A. MONTHLY.

Another help is offered by the Caloric Stove Corporation. The manufacturer has produced a series of films which provides a medium for local merchandising by a nationally prominent cooking expert, Dione Lucas. The Laclede Gas Co., St. Louis has been using the A. G. A.-endorsed film, which is described in the April, 1953 issue of the MONTHLY.

Television is no longer a plaything—it is rather, an effective medium for education, advertising and promotion. It describes, to the consumer, better than anything else, the convenience and economy of modern gas appliances. As one home service worker expresses it, the only thing lacking to bring this detailed description of eating and working pleasure right into the living room is "colorvision," and "smellovision!"



1953

## JULY

- 13-17 •National Housewares & Home Appliance Manufacturers' Exhibit, Auditorium, Atlantic City, N. J.
- 20-22 •American Trade Association Executives, Annual Meeting, Haddon Hall, Atlantic City, N. J.

## AUGUST

- 26-28 •The American Dietetic Association, Annual Meeting, Los Angeles, Calif. (A. G. A. will exhibit.)

## SEPTEMBER

- 1-2 •A. G. A.—NEGA Conference, Boston, Mass.
- 9-11 •Pacific Coast Gas Association, San Francisco, Calif.
- 9-11 •Mid-West Gas School and Conference, Ames, Iowa
- 11 •New Jersey Gas Association, Spring Lake, N. J.
- 14-17 •International Congress of Industrial Design, Paris, France.
- 27-30 •Controllers Institute of America, Hotel Statler, Boston, Mass.

## OCTOBER

- 6-7 •Texas Mid-Continent Oil & Gas Association, Rice Hotel, Houston, Texas
- 19-21 •American Standards Association, Waldorf-Astoria Hotel, New York.
- 19-23 •National Metal Exposition, Cleveland, Ohio
- 19-23 •National Safety Council, Chicago.
- 26-28 •A. G. A. Annual Convention, Kiel Auditorium, St. Louis, Mo.

## NOVEMBER

- 4 •A. G. A. Home Service Committee, A. G. A. Headquarters, N. Y.
- 9-13 •American Petroleum Institute, Conrad Hilton Hotel and Palmer House, Chicago, Ill.
- 9-13 •National Hotel Exposition, Kingsbridge Armory, New York, N. Y. (A. G. A. will exhibit.)
- 11-13 •Wisconsin Utilities Association, Hotel Schroeder, Milwaukee, Wis.
- 17-20 •A. G. A. Operating Section, Organization Meetings, Hotel New Yorker, New York, N. Y.
- 18-20 •Mid-Southeastern Gas Association, annual meeting, Sir Walter Hotel, Raleigh, N. C.



# Personnel service

## SERVICES OFFERED

**Administrator—Public Relations**—10 years experience in all phases of oil and gas operations. Diversified training in responsible work. Desires administrative or public relations position to utilize technical knowledge and writing experience with a gas company or a trade organization. College degree and LL.B. (31). 1739.

**Manager**—20 years with combination natural-bottled gas operations. All around experience in building business, increasing customers and building load, office management and construction. 1746.

**Lawyer—Corporate Secretary**—17 years' experience in gas industry, including background in sales management, corporate secretary with experience in SEC matters, public utility law, insurance and stockholder relations. Available to gas operating utility or transmission company—July 1953. 1741.

**Stockholder—Public Relations**—Twenty years' top-level accounting, finance, stockholder relations experience in New York office of major utility. Seeking position, preferably in far west, in stockholder, public, employee relations. Presently write, design, produce annual report, etc. Accounting graduate, post-graduate college work in professional writing, graphic arts design and production. Under 40, married, children. 1742.

**Gas Engineer**—28 years' experience in carbureted water gas manufacture in all grades from chemist through plant superintendent, production manager and consultant. 5 years' operating chief in experimental demonstration-sized pulverized coal-oxygen gasification plant, including oxygen-blown gas producer, Linde-Frankl oxygen plant, 2400° F steam superheating. B.S. in Chem., Ch. Engr. degrees. Licensed Prof. Engr. (N. Y.). Interested in plant engineering and staff work; pilot or demonstration plant operation. 1743.

**Project Engineer**—9 years in the design and development of gas and electric fired appliances. Thoroughly familiar with the characteristics of all types of gases and their effect on the ultimate product. Have intimate knowledge of A. G. A., Underwriters, ASA procedures. Understand production and field service problems.

Desire permanent position of greater responsibility. 1744.

**Manager**—Medium sized gas company or group of small properties. Interested in becoming associated with larger operation. Experience covers all phases of general sales management, and general management with manufactured gas utility as well as propane-air plants serving bottled gas beyond the mains. Outstanding record proves ability covering administration of operations and new business. Will have excellent reference. Would be available the latter part of July. 1745.

## POSITIONS OPEN

**Gas Salesman**—Excellent opportunity for producer thoroughly experienced in household, commercial and industrial gas appliance sales, management, advertising, etc. Small southern Ohio utility with no present restrictions has immediate opening. Give complete resume including salary expected. 0690.

**Home Economist Supervisor**—Progressive natural gas utility in the Southeast desires Home Economist experienced in the gas industry, capable of planning and directing promotional programs. Desirable to have radio experience if not TV. 0691.

**Manufacturer's Representatives** to sell high-quality oil line gas boilers, furnaces, floor heaters and conversion burners on commission. Men with established trade in non-competitive lines will be considered. We have several choice, protected territories available. You must be aggressive and qualified to handle heating sales. 0692.

**Assistant General Superintendent**—New England gas utility desires a man under 40 years of age to fill this newly created position. Engineering graduate required. Please submit complete resume, including personal background, education, experience, and present salary level. All replies treated with strictest confidence. 0693.

**Administrative Vice President** in 38-45 year age bracket. Qualified to coordinating operating,

commercial, and accounting functions and administer company's organization and operations. Operating and/or engineering experience essential. Familiarity with rate case preparation and presentation, accounting, and sales promotion desirable. Preferred consideration given to those with multi-utility, combination experience, such as electric-gas, telephone-gas, electric-water, telephone-water. Eastern location. Consideration given only to those submitting detailed resumes, including compensation in present employment. Starting salary range (dependent on qualifications) \$13,500-\$20,000. 0694.

**Vice President, Operations**—in 38-45 year age bracket. Qualified to assume full, final responsibility for operations, engineering, and construction. Operating and engineering experience absolute requirement; familiarity with rate analysis, labor negotiations, analysis of manpower requirements desirable. Sufficient experience, knowledge and background to handle all operating and engineering problems of diversified utilities company. Multi-utility experience absolute essential, such as combination electric-gas, telephone-water, etc. Eastern location. Consideration given only to those submitting detailed resumes, including compensation in present employment. Starting salary range (dependent on qualifications) \$12,000-\$15,000. 0695.

**Gas Engineer** thoroughly familiar with industrial gas-mixing equipment, burners and temperature controls. Preferably experienced in the application of gas heat to high-speed metal fabricating machinery requiring accurate temperature control of soldering operations. Will be responsible for conducting plant surveys and recommending improvements in existing facilities and practices in a large multi-plant operation. Also will consult with engineering department on new equipment design. Headquarters New York City. Salary commensurate with ability and experience. 0696.

**Distribution Superintendent and Engineer** for small natural gas property having 1200 customers located in Midwest city of 10,000. Must have natural gas operating and engineering experience. College graduate preferred but not essential. Give full details as to age, experience, and salary expected. 0697.

## What sells gas?

(Continued from page 20)

there are not more than 3,000 salesmen working of all the gas companies in the country. . . . Is it any wonder that we are losing business to electric competition?"

If these statements are true, it is time that we in the gas business returned to the old-time fundamentals of selling. Otherwise, what progress can we make?

The attitude of your executives plays a big part in gas sales and in the morale of the sales department. Are they sympathetic to gas sales problems? Do they honestly believe in the gas business? Do they really want to promote the gas business? Are they willing to spend money to do it?

The curse of the gas business is the combination company that is headed by electric-minded executives whose every gas decision is based upon what is good for the electric company. Show me that kind of gas utility and I will show you a gas utility that is tolerated and even handicapped rather than promoted. Let

me not be misunderstood. There is nothing wrong with a combination company as such. I work for a combination company and no one can say that we do not promote the gas business. Some combination groups do so in a most constructive way.

Nothing worth while was ever accomplished without hard work. Gas can be a profitable business, but you must work harder than our electric brethren to make a dollar. We have no GE or GM or Westinghouse to do our promotion job for us. We have an installation and a utilization problem uncommon to the electric industry. In the gas industry, we do the job, or it is not done. That spells harder work for us.

We can have good rates. We can have good sales promotion. We can work hard. But it will all be in vain if we lose our acceptance due to poor performance of appliances in customers' homes.

I have been in the gas business for thirty years. Each year, the electric industry has promised, as it were, to put

us out of business. I don't scare easily. They will put us out of business only if we allow them to do so—by neglecting our utilization problems, by failing to promote our own business, by depending upon the dealer to sell our product instead of promoting it with our own sales force. It has been my observation that those gas utilities that promote the gas business are better off today than they were thirty years ago.

The time has come for those of us who believe in the gas industry to stand up and fight and fight hard for that which is rightfully ours or submit by default to the untruths or half-truths of our competitors.

With the ever-increasing cost of doing business, particularly with natural gas, there is only one way to make a reasonable profit for our stockholders—that is by selling more and more gas. Gas sales that will be made or not made by the production, distribution, service and executive departments, assisted by the sales department.

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